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July/August 2014



**The Sales Floor:
Selling to Younger
Clients**

Compensation

**Employee Separation
Agreements**

**Market/Consumer
Research**

**8 Steps to Facebook
Advertising**

Incoming board chairman Paul Johnson (left center) of Interiors One, Inc./Carpet One, Tulsa, OK, with family members

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Volume 1, Issue 4

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CHANGE OF ADDRESS: In order to ensure uninterrupted delivery of *Premier Flooring Retailer*, notice of change should be made at least five weeks in advance. *Premier Flooring Retailer* is published bi-monthly (Jan/Feb, Mar/Apr, May/Jun, Jul/Aug, Sep/Oct, Nov/Dec) by the World Floor Covering Association, 2211 E. Howell Avenue, Anaheim, CA 92806. Application to Mail at the Periodicals Postage Prices is Pending at Anaheim, CA and at additional mailing offices. POSTMASTER: please send address changes to: Premier Flooring Retailer, 2211 E. Howell Avenue, Anaheim, CA 92806.

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Our Purpose: Your Success & Profitability

By Scott Humphrey, CEO, World Floor Covering Association

When we launched *Premier Flooring Retailer* (PFR), some questioned our purpose. To us at the association, there was no doubt that it had to link directly to the purpose of the WFCA. Our purpose statement states: "We exist to ensure the success and profitability of the specialty flooring dealer and to represent their common interest." With that in mind, you will find that our publication is intended to inform yes, but more importantly, educate

“We are not just about the here and now...Our intent is also to impact your long term success.”

and equip you and your business to succeed. We do this by providing exclusive expertise that we know, if applied, will allow you to simplify your life and be more profitable.

We are not just about the here and now, though we understand the importance of current decisions. Our intent is also to impact your long-term success and to help you create a legacy of which you can be proud.

I recently returned from our semi-annual board meeting in Santa Fe, NM. I always enjoy these meetings, but this one was especially meaningful. I was invited to sit in on the meeting of past chairmen of the WFCA. I sat back in awe as I interacted with those who had helped to fashion our industry as we know it today. What an amazing wealth of wisdom and experience in that room.

One of the legends I met that day was Paul Pumphrey. Paul, 88, is the only person to serve as the president of the two associations that merged to form the WFCA. What a vibrant personality; full of wisdom with an amazing sense of humor. I mention Paul in this introduction for two reasons:

1. Like our goal with this publication, Paul has created a legacy that will impact our industry for generations. It was with great effort that Paul was able to be with us, but because of his commitment to the WFCA and the industry, he once again sacrificed to be a part of a meeting and organization that seeks to better the lives of those in our industry. If we all had that level of commitment to our businesses, communities,

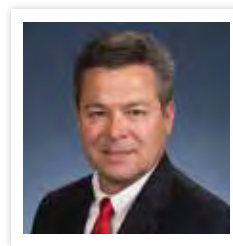
families, country, etc., can you imagine how much better our lives and the lives we touch would be?

2. Paul is a lifelong learner. At PFR, we seek to be a valuable tool enabling learning for you and those with whom you associate. At one of the breaks during the meeting, I bumped into Paul at the elevator in what I thought was a chance encounter. I soon realized with Paul there are no chance encounters. In his hand was a learning CD he had gone to his room to retrieve...for me.

The CD was by a gentleman named Michael Shapiro. (You may be more familiar with his father Robert Shapiro, a lawyer in the O.J. Simpson trial.) The topic Mr. Shapiro was discussing was Effective Listening. I learned a great deal from the recording.

Please don't miss what I just shared. Here is a gentleman whose whole life has been spent impacting the life of others, and at a time when many would be sitting back admiring their accomplishments, he seeks out yet another opportunity to invest in one more person's future...mine.

May we all seek to follow his example. It is our (WFCA) hope that just like Paul, you will be willing to seek someone out to give them a resource that can make their lives and businesses better. That resource? *Premier Flooring Retailer* Magazine. Enjoy! ■



Scott Humphrey

Scott Humphrey
CEO of WFCA



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On the Cover: Incoming board chairman Paul Johnson (left center) of Interiors One, Inc./Carpet One, Tulsa, OK, with family team members daughter Christina Johnson Smith, granddaughter Hollyn Smith, wife Ronda Johnson, and son Palmer Johnson.

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Managing First Impressions

By Tom Jennings, VP of Member Services, World Floor Covering Association

I was asked recently to name the most important trait that successful retail businesses exhibit. The answer to me is obvious – they manage first impressions at every point of contact with their customers. There are several key points of contact during a typical interaction with a potential flooring customer. These are moments when we have the opportunity to either increase or diminish the customer's perception of the professionalism of our business projects. They are critical measurements gauging the likelihood of our success. If the customer has sufficient positive emotions, she will buy. If not, she won't. It's just that simple.

Let's examine some key points of contact where first impressions are formed:

Advertising: Opinions regarding our businesses obviously begin forming before the customer ever begins her journey. If they didn't, how would she know that she even cared to consider our firm? Examine your advertising: Is it believable? Is the message consistent across all forms of media? Is it memorable? Is it pleasant in tone – or annoying? Does it convey professionalism? Does the message honestly represent the experience the customer will have should she choose to respond? Overstating your selection and capabilities will be viewed as deceptive. Is your entire staff fully aware of the message currently being promoted? It is sad how often representatives don't seem to know what the current offers are that the customer is inquiring about. This is a major buzz kill for the prospects of a sale!

Telephone etiquette: Are your phones answered by a living, breathing person or by a robot? Is there a consistent message every call? Does the person answering have a pleasant tone? Do they appear grateful that you called, or do you sense that you are bothering them? We have all formed opinions of a business simply based upon how we were treated on the phone.



Outside looking in: Is the parking lot clean, or are there cigarette butts and leaves piled up by the curbs? Is all exterior signage shining brightly? If you have a marquis, is the message compelling and up-to-date? Are your windows clean and inviting? Or, are they smudged and full of posters – reminiscent of the charm displayed by the local quick mart on the corner? If signage cannot be read by motorists, it is of limited value as the average flooring store has very little walk-in traffic. If you can't see out – your customer can't see in! Most flooring stores fail this test.

Store ambiance: Is the lighting dramatic and inviting? Or, is it just bright? Worse yet, is it too dim? Does your restroom project a positive image of your firm's decorative abilities? Or, does it look like a storeroom with a commode? Is the selected music soothing and playing at the proper volume? I suggest playing instrumentals only as you want the customer listening to you, not the song lyrics.

Does the store have a welcoming aroma or is it stale? Are the sales counters and desks clean and inviting, or are they littered with food wrappers containing a partially eaten snack, drink cups, newspapers, etc.? This is perhaps the most critical contact point of all. Customers must be treated as invited guests. Fail this test and the subsequent ones never occur.

Greeting: Is the salesperson dressed in a professional manner reflecting a sign of respect for the customer, or are they dressed for their own comfort and pleasure? Was I acknowledged promptly upon arrival? Did they rise and approach to greet me, or did they wait for me to find them? Did they introduce themselves properly? Do they seem to be a good listener, or do they talk too much? These are all critical elements – and they occur within the first minute that the customer is in our showroom!

Estimator: Were they prompt? Are they dressed professionally? Is their personal grooming pleasing, or do they reek of cigarette smoke and the lingering odors of whatever they ate for lunch? Did they approach the entrance properly? Do they seem confident and prepared? Do they appear knowledgeable regarding the products you are considering purchasing? Do they seem to have your best interests at heart or the store's? Consumers must have confidence in the estimator's ability, as this is the final step before an order is placed.

Installers: Do both their dress and vehicle project a professional appearance? Are they properly identified? Did they show respect for your time by calling in advance to give

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Columnists

Dr. Stan Beecham, Annette Callari, Stacy Eickhoff, Randy Gravitt, Leah Gross-Harmon, Jeffrey King, Josh McGinnis, David Romano, John Simonson, Michael Vickers

Publication Staff

Jeff Golden, Editor/Co-Publisher
Dan Lipman, Sales Manager/Co-Publisher
Arpi Nalbandian, Associate Editor
Tony King, Art Director
Mona Lisa Sana-Andrews, Assistant Art Director

Editorial and Advertising Offices

JG Media Group LLC
4607 Lakeview Canyon Rd. Ste. 560
Westlake Village, CA 91361, (877) 742-6467
jeff@pfrmagazine.com; dan@pfrmagazine.com
www.pfrmagazine.com

WFCA

Scott Humphrey, Chief Executive Officer
Cammie Weitzel, Vice President, operations
Tom Jennings, Vice President, member services
Jenny Ostad, Education/Membership Mgr.
Freida Staten, Vice President, recruitment and affiliate relations
Kay Wiley, executive assistant to the CEO
Gena Basenback, membership operations manager
Renee Gutierrez, administrative assistant

Offices

2211 E. Howell Ave., Anaheim, CA 92806
(800) 624-6880 (714) 978-6440 Fax: (714) 978-6066
E-mail: wfca@wfca.org
855 Abutment Road, Suite 1, Dalton, GA 30721 (855) 330-1183

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Managing First Impressions, Continued

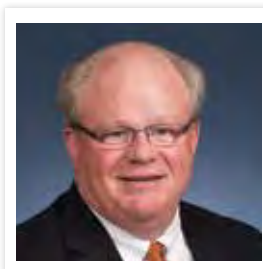
you an estimated time of arrival? Did they enter the jobsite in a professional manner? Do their tools appear to be in good repair and organized, or do they appear to have been just thrown in the back of a truck? Did they protect the new flooring from the elements properly during transport? Customers will have formed an opinion regarding the capabilities of an installer before any work commences.

These are **moments** when we have the **opportunity** to either **increase or diminish** the customer's **perception of the professionalism** of our business projects.

We have all heard the saying stating that "you never get a second chance to make a good first impression." We have all heard this for good reason – because it is so! Mastering the critical points of contact is an ongoing business culture that requires continual vigilance by both management and staff. Successful firms realize that to be in control of the customer experience, you must first take control of the customer's experience. Those who do so consistently are richly rewarded for their efforts. Those who do not will likely think of these successful firms as just being lucky. Properly manage the customer's first impressions and you will create your own good luck! ■

ABOUT THE AUTHOR

Tom Jennings is a lifelong member of the flooring business. Since selling his family's retail business in 2006, he has served the industry as an educator and speaker. He is a past-board chairman of the WFCA and is currently the board chairman of WFCA Services, Inc. and WFCA vice president of member services. He may be reached at tjennings@wfca.org.



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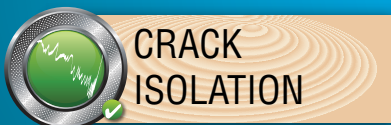
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Powerhouse Introductions in Ceramic, Porcelain & Stone

By Annette M. Callari, Chairholder, Color Marketing Group International, Allied ASID

There is an excitement brewing as tile manufacturers continue to raise the bar, introducing brilliant new styles in porcelain, ceramic and natural stone. These materials have become an artists' medium to create masterpieces for the floor. Add to that the versatility digital printing has brought to the manufacturing process, and we are seeing a whole new breed of products.

Digital printing has been in existence for products like wall coverings and fabrics for a while. But adapting this technology to tile fabrication is a huge achievement, considering the fact that tiles are fired at extremely high temperatures. The result is a flurry of hybrid aesthetics that are bound to be hugely popular: wood-grains, denim looks on tile, linen-look tiles, even authentic cement looks are transforming this sector of floor coverings. Let's take a look at some of the "must see" standouts of the season.

Arizona Tile

Waterfall Series – This is an example of digital print technology at its best. This series of products comes in four colors: Yosemite, Niagara, Victoria and Jog. The visual realism captures all the nuances of natural stone in a colorbody porcelain.

New Granite Introductions – It is still true that no other surface exemplifies organic beauty as well as granite. Homeowners consider granite to be one of nature's best treasures and want to capture a bit of that for their own home. So the challenge to bring unique, elegant new granites to market is still a priority. Given that fact, Arizona Tile imports more than 200 varieties of granite, marble, travertine, limestone and slate and onyx. Worth the time to view are Arizona Tile's newest finds in granite: Black Mosaic Gold, Bardiglio, Black Fantasy Deep Brush, and Blue Night.

Crossville

Speak Easy – Crossville hit the target with this collection. It captures the look of authentic barn wood in large format tile planks (6" x 36", 8" x 36", and 12" x 36"). The five colors in the collection capture the look of stained timber. This is a versatile addition to the Crossville line, suitable for both residential and commercial applications, and approved for interior and exterior use.

Mixology – If you've overlooked the importance of metal tiles as accents to a design, you've missed an important here-to-stay trend. Metals add a timeless quality and a natural focal point to a room. Mixology is intriguing in its range of styles:

Adapting digital printing technology to tile fabrication is a huge achievement, considering the fact that tiles are fired at extremely high temperatures.

Vine is a foliage-inspired deco tile in bronze or variegated bronze; Starflower is an art-deco inspired 4" x 4" tile; and Floral offers a more traditional look in bronze, variegated bronze, or iron nickel.



Crossville - Speak Easy

Daltile

Season Wood – As a colorbody, large format (6" x 48") porcelain tile, the white-washed and weathered wood looks are in step with current design trends. Season Wood adds a rich wood grain look to the floor, but allows for a full range of color possibilities in the rest of the room design.



Daltile - Season Wood

Continued

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High definition graphics have moved ceramic wood looks into the limelight. Ease of maintenance is one reason why design has embraced wood look-alikes.

Ceramic, Porcelain & Stone, Continued

Acacia Wood – A 6" x 36" and 9" x 36" wood-plank style porcelain. This product features dramatic variations in graining, ranging from light to dark in a single plank. Installing the planks on the diagonal adds even more drama to the pattern. While Season Wood offers a quieter aesthetic, Acacia is definitely a statement floor.

Northstar Tumbled Glass - The fiery good looks of Northstar make it a winner. Translucent and gem-like, Northstar comes in a spicy red/red-orange colorway, black/brown/gold and gray/black/silver. Used as accents in a room, Northstar adds a colorful vibe.

Del Conca USA

Ceramica Del Conca tile was born in Italy, being the first company to embrace the new technology of single-fired, white-body, glazed stoneware tiles. With the expansion of a new plant in Tennessee, this international manufacturer has now taken its place in the U.S. market. Special design recognition has to be given to their collection EK Epokal. Inspiration for the tile comes from petrified wood species with grains of crystallization. The combination of a fossilized wood look, peppered with subtle sparkle, captures the roughness and refinement of nature in one tile. This is a high-character pattern available in three timeless neutrals.

Emser Tile

Slate Autumn Lilac – Natural slate continues to be a classic favorite. The versatility of this beautiful stone lends itself to floors or vertical surfaces, for both residential and commercial settings. Just the style name conjures up a vision of softly melded colors, ranging from spring-like lavender to harvest-inspired gold. And that's pretty much the spectrum Slate Autumn Lilac covers. Emser tagged this style as having substantial shade variations and that's what sets it apart. Available in 16" x 16", 12" x 12" and also 6" x 6" and 4" x 4" (in tumbled format), it offers many creative design options.



Emser - Slate Autumn Lilac



Florida Tile - Harmony

Florida Tile

Harmony is part of the VitraArt Glass collection created by Florida Tile. I searched for the most shockingly beautiful collections to bring to you in this column, and Harmony was a high-scorer. The look is reminiscent of ancient Egyptian glass which Egyptians described as "stone that flows." Harmony captures this description perfectly in colorful mosaics in shades of black, blue, brown and green. Don't miss viewing this amazing collection.



Florim - Urban Wood

Florim USA

High definition graphics have moved ceramic wood looks into the limelight. Ease of maintenance is one reason design has embraced wood look-alikes. Durability is the second half of that equation. Urban Wood from Florim married the high-def, crisp good-looks, with a choice of six nature-driven colors. The natural, matte finish is perfect for residential applications, but this product is also approved for commercial use, where its "grip" finish offers slip-resistance.

Continued

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Scott Humphrey, CEO, World Floor Covering Association

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Ceramic, Porcelain & Stone, Continued

Marazzi USA

Province – This glazed ceramic tile comes in 12" x 12" and 18" x 18" sizes. Fans of travertine will love Province. The color movement is subtle and delicate, with feathery veining in a soft gray, ivory, or rust. This is a successful interpretation of travertine, re-defined for either rustic or refined interior settings.

StonePeak

Stained concrete looks are still storming the design scene, from wall cladding to counters to flooring. It's a hot commodity both on the residential side and, of course, commercial. To that end, StonePeak introduced Simply Modern—a contemporary ceramic tile collection that offers a relevant palette of urban tones—in a stained concrete appearance. Five colors and three sizes are available in the collection, with corresponding accent pieces. It is gratifying to note that this collection identifies an important direction in design—one that is expected to continue to escalate over the next few years.

Shaw Tile

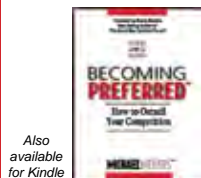
Lunar – Designed in Italy and made in the USA, Lunar is a line unique to Shaw. This tile collection is inspired by images of the moon's surface! Now that's original. Randomness is achieved by advanced technology and numerous glazing steps for a look that's very natural. Graphite, Beige, Noce and Walnut make up the color line, and tile sizes include 6" x 3", 6" x 6", 12" x 12" and 18" x 18". The colors are geologically in keeping with the moon's surface, bringing just a touch of celestial beauty home to consumers.



Shaw Tile - Lunar

Staying on top of important movements in design direction keeps tile manufacturers in sync with what's needed in the market. This isn't a hit-or-miss guessing game. Product development teams are highly responsive to forward trends and identifying niche products that are needed in the market. They collaborate with professional organizations such as the National Kitchen & Bath Association, professional designers' organizations, as well as national color forecasting groups, to stay ahead of the design curve. The styles featured in this column are representative of "informed" product development. And as the year unfolds, expect to see even more surprising interpretations of color and style in the world of tile. ■

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ABOUT THE AUTHOR

Annette Callari is an interior design expert with over 20 years of residential and commercial design experience. An allied member of the American Society of Interior Designers and a Chair Holder of the Color Marketing Group International, she is the Southern California district manager for Mannington/Amtico.





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Your Employee Separation Agreements May No Longer Be Enforceable

By Jeffrey King, General Counsel for the WFCRA

Terminating an employee is always a difficult process. Aside from the obvious personal concerns, there are legal issues that need to be addressed. Unless there is an employment contract, a flooring dealer usually can terminate employees with or without cause. Nonetheless, there is always the risk that terminated employees will file claims alleging they were discriminated against, they are owed for back overtime, they were misclassified as a salaried employee, and similar claims.

Companies often reduce their legal risks by having the discharged employee sign a written separation agreement. These agreements generally set out payments and benefits to be provided to the terminated employee in exchange for the former employee agreeing to certain terms that protect the employer, such as a promise not to pursue any claims against the employer, not to disparage the employer and to keep the terms of the separation confidential. Such separation agreements may not provide the protection the employer thought it had. Standard severance agreements with long

used confidentiality clauses, non-disparagement clauses, and covenants not to sue are being challenged.

The Equal Employment Opportunity Commission (EEOC) has recently filed two lawsuits contesting these standard confidentiality clauses. Specifically, the EEOC filed a suit in Illinois federal court against CVS Pharmacy, Inc. and a separate suit in Colorado against CollegeAmerica Denver, Inc. challenging the severance agreement's provisions releasing claims, requiring cooperation with the company, and agreeing not to disparage the company. The EEOC contends that these common provisions in employers' separation agreements are unlawful because they interfered with employees' right to file discrimination charges and to cooperate with the EEOC. The EEOC maintains it still has an interest in addressing discrimination and retaliation issues that may be occurring in the workplace even if an employee has already reached an agreement regarding the terms of a separation. The EEOC argues that employers should not be allowed to buy the silence of discharged employees regarding any discrimination that may have occurred or continues to occur. Likewise, the Commission does not want separating employees to believe they are forbidden by a non-disparagement clause from telling the EEOC about the things that occurred in the workplace. In addition, the EEOC is concerned with the misuse of a covenant not to sue that fails to comply with the requirements in the federal age discrimination laws.

Given the EEOC's apparent focus on these agreements, employers should review their standard terms to assure that they cannot be deemed unenforceable. This article will focus on several provisions that are subject to the recent EEOC attacks. It does not review all the provisions needed in an enforceable separation agreement.

Separation Payment

A separation agreement is simply a contract between the employer and the ex-employee. As with any contract, the agreement must provide benefits to each party. The employer expects to be given a release from liability and other benefits, but what will the employee receive? It is not enough that the employee simply receives the pay that is already due him or her. This means an employer cannot, for example, require an employee to sign a release to receive his or her final pay for hours already worked. The pay is already owed and thus there is nothing the employee received in consideration for signing the separation agreement. Rather, consideration must extend "above and beyond" any benefits the employee is already entitled to receive. This can be severance pay,



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extended health care benefits or outplacement assistance. Even a mutual release of liability or the promise of favorable references may be sufficient.

Not only is payment of wages already owed not considered sufficient value to bind the employee to the separation agreement, but an employer cannot delay the payment of a departing employee's final paycheck until the separation agreement is signed. Most states have enacted laws that dictate when an ex-employee must receive his or her final paycheck.

Many states, such as New York, Illinois, Delaware, Kansas, Maryland and Nebraska, require the final paychecks to departing employees be issued on or before the next regularly scheduled pay day. Many other states, such as Colorado, Connecticut, Hawaii, Oregon and Utah require payment no later than the day after discharge. In California and Nevada, a discharged employee must be paid immediately at the time of termination, while other states may set forth a specific time, such as three days in Alaska and Montana, five days in Wyoming, six days in Texas, and seven days in Arizona.

State law will also determine whether an employee must be paid unused vacation pay. For example, New York and Texas law generally does not treat accrued-but-unused vacation time as earned wages that must be paid upon termination. Under California law, however, vacation time is considered wages that vests as work is performed and all accrued vacation pay must be paid immediately upon termination of employment. Therefore, it is important that each flooring dealer determine what its state requires be paid and when payment must be made to discharged employees.

Release of Claims

The primary benefit to the employer of a separation agreement is to make a clean break and resolve any disputes with the employee. Accordingly, the agreement commonly includes a release by the employee of all claims. The release often includes an agreement that the employer will not file any claim against the employer, will keep the agreement confidential and will not disparage the employer. Yet, if not properly written, the clean break and resolution the employer sought will not be realized.

To be enforceable, the employee must knowingly and voluntarily consent to the waiver. To determine whether an employee knowingly and voluntarily waived his claims, the language in the waiver must be clear and conspicuous, not induced by duress or undue influence, and open to

negotiations. Accordingly, in drafting a release of claims in severance agreements, employers should include certain provisions that will minimize the risk that the release will be unenforceable. First, the separation agreement should include a clause that verifies the waiver was knowingly and voluntarily agreed to. For example, the agreement could provide:

Voluntary Agreement with Advice of Counsel; Mutual Drafting.

Employee represents and agrees that he or she (1) has had the opportunity to review the Agreement with the assistance of counsel of his or her own choosing before signing it; (2) fully understands all terms of this Agreement and is signing it voluntarily and with full knowledge of its significance; (3) had the opportunity to negotiate the terms and provisions of the Agreement; and (4) is not relying and has not relied upon any representation or statement made by Company or its agents, representatives or attorneys, with regard to the subject matter, basis or effect of this Agreement or otherwise, other than as specifically stated in this Agreement.

Moreover, there are certain claims that cannot be released. Claims for unemployment insurance and workers' compensation benefits cannot be waived in a general release contained in a severance agreement. Similarly, a waiver does not prevent employees from filing a claim he or she was underpaid under the Fair Labor Standards Act, such as a claim they were not properly paid for overtime.

The EEOC contends that employees also cannot waive their right to file a discrimination claim with the EEOC. While the right to file a claim cannot be waived, the right to be paid money beyond the severance payment can be relinquished. Accordingly, it is recommended that a separate provision be included in all severance agreements that states:

Nothing herein shall prevent employee from filing or from cooperating in any charge filed with a governmental agency; however, employee acknowledges and agrees that he/she is waiving the right to any monetary recovery should any agency (such as the equal opportunity commission or any similar state or local agency) pursue any claim for their benefit.

It is recommended that these provisions be clear and conspicuous, such as putting it in all capital and bold letters, and having the provision in its own separate paragraph. The employer should also consider having the discharged employees put their initials on each page of the agreement

Continued

Separation Agreements, Continued

to show they had an opportunity to review each page. These types of provisions and precautions show that confidentiality clauses, non-disparagement clauses, and covenants not to sue are knowingly and voluntarily agreed to and thus the separation agreement is enforceable.

Release of Unknown Claims

Most releases include a waiver of all claims "known or unknown." The EEOC has issued guidelines that contend an employee cannot release future claims that might arise after signing the agreement. For example, such a release would not preclude former employees from filing claims alleging the former employer retaliated against them for filing a charge with the EEOC by giving an unfavorable reference to a prospective employer.

A release of known and unknown claims will usually cover existing claims of which the employee is simply unaware. Some state laws, however, may restrict the waiver of an unknown claim. California, for instance, has Civil Code section 1542, which provides that "[a] general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." While even this right can be waived, the separation agreement must specifically state that the discharged employee is aware of Civil Code section 1542 and intends, by signing the release, to assume the risk of then-existing but as yet unknown claims. Accordingly, employers should check the law in their state as to the enforceability of waivers of unknown claims.

Older Workers Benefit Protection Act

If the discharged employee is 40 years old or older, employers should also ensure compliance with the Older Workers Benefit Protection Act (OWBPA). Under the OWBPA, a release of federal age discrimination claims will not be valid unless workers 40 years old and older are provided with (1) twenty-one days to consider whether to release claims against the employer, (2) seven days to revoke their signature once they have signed the release, and (3) advice to consult with an attorney prior to executing the agreement. The times can be extended if two or more older employees are discharged.

In addition, a release that waives "all possible claims" will not cover claims under the OWBPA. Rather, the release must specifically identify that claims under the OWBPA are being waived by stating that the "employee waives any claims, obligations, and causes of action of any kind arising under the

Standard severance agreements with long used confidentiality clauses, non-disparagement clauses, and covenants not to sue are being challenged.

Older Workers' Benefit Protection Act." (It is recommended that the waiver also specify all the applicable federal and state statutes, including Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Employee Retirement Income Security Act, any state or local wage and hour laws.) To avoid issues under this statute, the separation agreement should spell out these rights and time limits in clear and unequivocal terms.

Conclusion

Separation agreements are standard practice when discharging employees. Properly drafted, these agreements will protect the company from future payouts for employment-related claims. The old standard provisions, however, may not withstand scrutiny. It is recommended that every flooring dealer have its legal counsel periodically review its separation agreements. The recent attacks by the EEOC on standard separation clauses make such a review urgent to ensure the agreement does not raise any red flags for the EEOC, but includes the needed protection to the flooring dealer. ■

The information contained is abridged from legislation, court decisions, and administrative rulings and should not be construed as legal advice or opinion, and is not a substitute for the advice of counsel. This article addresses only certain portions of separation agreements that are subject to the recent EEOC attacks. The article should not be used as a substitute for having a proper agreement drafted and reviewed by competent legal counsel.

ABOUT THE AUTHOR

Jeffrey King has more than 35 years' experience in complex litigation with a focus on contracts, employment, construction, antitrust, intellectual property and health care. He serves as general counsel for WFCA and other trade associations, and is a LEED Accredited Professional. For more information, contact him at (561) 278-0035 or jeffw@jkingesq.com.



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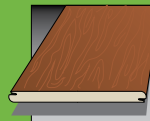
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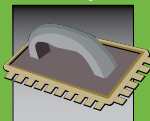
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The World Floor Covering Association Gains New Executive Leadership

2014-2015 Chairman and Board Members Announced



Paul Johnson



Scott Walker



Melissa Murphy



Donny Phillips Jr.



Aaron Pirner



Scott Humphrey

By Leah Gross-Harmon, Story Dept.

Effective July 1, Paul Johnson, president of Interiors One Inc., Carpet One in Tulsa, OK, took over as chairman of the board of the World Floor Covering Association. He fills the role vacated by Janice Clifton of Abbey Carpets in Napa, CA who becomes immediate past chairwoman.

"I am thrilled to be at the helm of such a vibrant organization as WFCA," said Johnson. "As many of you know, we have recently changed our focus from the entire flooring industry to the 'heart' of the industry – its retailers. Without them we do not exist." Johnson added, "WFCA brings all of these family-run businesses together and gives them a voice, a platform, and the power to make a difference. The organization and its membership drive change and make things happen for the greater good far beyond what individuals could do on their own."

Johnson said he plans to make this year "the year of the family business." He added, "Scott and his talented team have exciting programs and initiatives in place that I have no doubt will attract new members and help take the organization to new heights. I look forward to working with our executive team and our board to enhance the business environment for retailers across the country."

WFCA's new chairman's background in flooring spans more than 35 years. Johnson got his start while still an undergraduate student in the southeast. His background in the industry includes positions on the financial, manufacturing, installing and consumer and commercial retail sides of the business.

Currently, Johnson owns and oversees Interiors One Inc., Carpet One based in Tulsa, OK. His business is comprised of six units including four Carpet One Floor & Home stores and two Floor Trader stores.

Johnson is a passionate WFCA member, having joined the organization when he entered the retail side of the business

nearly 15 years ago. Prior to becoming chairman, he held a number of WFCA positions including secretary and chief financial officer. In addition, Johnson served on the industry relations committee.

At the recent spring board of directors meeting in Santa Fe, NM, directors also elected the association's executive committee. 2014-2015 members include: Scott Walker, Walker's Carpet One, Inc., Bellingham, WA, chairman-elect; Melissa Murphy, Johnson Paint & Decorating, Columbia, MO, secretary; Donny Phillips, Jr., Atlanta Flooring Design Center, Suwanee, GA, cfo; Aaron Pirner, CAP Carpet Inc., Wichita, KS, vice chairman; and Scott Humphrey, World Floor Covering Association, ceo.

Elected as board of directors for three-year terms beginning July 1, 2014 were: Curt Bowler, Abbey Carpet of Missoula, Missoula, MT; Shane Lewis, Town & Country Floor Design Inc., Abbotsford, BC, Canada; and Roger Wilson, Nampa Floors & Interiors, Nampa, ID. Re-elected to the board were: Phillips; Maryanne Adams, Avalon Carpet Tile and Flooring, Cherry Hill, NJ; and Kelby Frederick, My Flooring Texas, Denton, TX; and Keith Campbell, chairman, Mannington Mills, Salem, NJ (associate board member).

Continuing to serve on the 2014-2015 Board of Directors are: Scott Appel, Touch of Color, Harrisburg, PA; Deb DeGraaf, DeGraaf Interiors, Hudsonville, MI; Jason Fromm, Carpet Spectrum, Inc., Lomita, CA; Dean Howell, Moda Floors and Interiors, Atlanta, GA; Eric Langan, Carpetland USA, Inc., Davenport, IA; Carrie Seifert, Diversified Flooring Design Center, Edgewater, FL; Mark Tollefson, Tollefson's Retail Group, Inc., Minot, ND; Terry Wheat, Wheat's Carpet One, Northport, AL; Paul Murfin, IVC USA, Dalton, GA; and Bob Weiss, All Tile, Inc., Elk Grove Village, IL.

For more information, visit www.wfca-pro.org, call the WFCA at (800) 624-6880, or email: wfca@wfca.org. ■

Application for Regular Membership



FOR THE PERIOD ENDING DECEMBER 31, 2014

The undersigned hereby applies for membership in the World Floor Covering Association, a non-profit trade association serving the floor covering industry.

For Renewal - WFCA Member Number _____

Company Name _____

Contact Name Title _____

Physical Address (Primary Location) _____

City _____ State _____ Zip _____

Mailing Address (If different from above) _____

City _____ State _____ Zip _____

Telephone(s) (_____) (_____) FAX (_____)

E-mail _____ Website _____

Number of Store / Operation locations _____

WFCA Membership Dues Investment is \$275 valid through 12/31/14

Please submit payment with completed application & member profile to:

WORLD FLOOR COVERING ASSOCIATION

Mail to: 2211 East Howell Avenue • Anaheim, CA 92806

Or FAX to: (714) 978-6066 or submit via e-mail

If paying by credit card: MasterCard VISA AMEX Discover

V-Code (3 or 4 Digit Authorization #) _____ Amount \$ _____

Card # _____ Exp. Date _____

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*Only US funds are accepted

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Membership dues paid to the World Floor Covering Association are not tax deductible as charitable contributions. However, they may be tax deductible as ordinary business expenses. WFCA estimates that 12% of your dues are not deductible because of WFCA's lobbying activities on behalf of its membership. Your dues include a subscription to *Premier Flooring Retailer* magazine.

6.27.2014

WFCFA Website/Digital Marketing Case Study: Reinventing the Website and Expanding Social Media

By Tony King and Kathryn Baird, Partners, Torus Marketing

Torus Marketing is working with The Flooring Gallery to reinvent their website, evolving not just the aesthetic, but the user interface (UI) and navigation/UE (user experience) as well. Concurrently, we are building out the social media networks -- Facebook, Google+, Twitter and YouTube, and will begin to augment and expand upon the social media efforts done by The Flooring Gallery staff.

"Four years ago," said Natalie Goodin, Director of Retail Business and Marketing for The Flooring Gallery, Louisville, KY, "we had no idea what SEO was or why we would need it. Today we find ourselves spending hours a week managing our image on Google alerts and Angie's list, posting content and photos to social media, while hoping that the content is fresh and interesting. We need an integrated system that is easy to understand and post while increasing our SEO search results. We want to be able to connect to our potential clients and give them the same experience online as they will receive in the store."

A fundamental objective of the site re-design, apart from aesthetic and UI/UX improvements, is to enhance the SEO (Search Engine Optimization) and create an online presence that is adaptable as search engines continue to refine their ranking systems. SEO is only part of the story, however. The complete digital marketing effort, in conjunction with and supporting traditional marketing efforts will not only increase site traffic, but work to increase store traffic as well.

Important to this effort is the local search implementation. This connects the in-market consumer to the brick and mortar location. Torus will build out dedicated location landing pages with essential information including integrated map, hours, product mix, imagery and key contacts, and create profiles on Google, Yahoo and Bing to optimize local search results.

For the site development, we focused our initial comp designs and site work on the redesign of the home page and the location pages. The look and navigation on the home page will be the key driver for the development of the rest of the site, along with the user experience.

Flooring is a fashion decision and beautiful room shots are critical in the early phases of the consumer research and purchase cycle. We are proposing a robust image catalog with a light box pop up to allow for romance stories to be tied to each and every image. This will help with SEO and provide a deep and immersive image bank, without the user ever leaving the home page. This gives the user a quick and easy path to product, appointment scheduling, location information, and social media outlets.



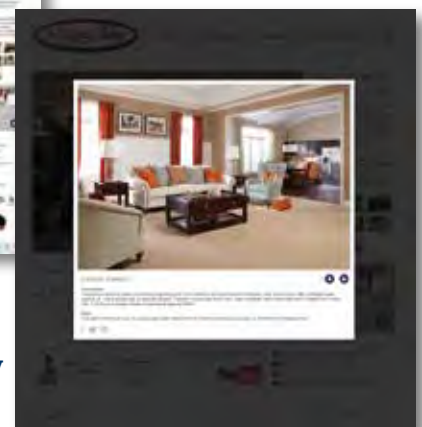
Current Home Page



Proposed New Home Page Design



Proposed Light Box Image Gallery



We look forward to continuing our work with the staff at The Flooring Gallery to build their online presence and build store traffic.

In every issue of *Premier Flooring Retailer*, we will present a progress update of the study as it unfolds. Contact editor Jeff Golden for details at jeff@pfrmagazine.com. ■

PFR Exclusive Study: Flooring Industry Continues to Grow in Q1; LVT Leads Expansion; Carpet Produces Highest Margins

By Jeff Golden, editor

Editor's Note: The World Floor Covering Association and Premier Flooring Retailer have partnered with BOWE Company, Inc. to deliver the most in-depth market research available in the floor covering industry. The research has been conducted at quarterly intervals throughout the year to provide an accurate analysis of the data.

The residential, commercial and builder segments all experienced continued growth in Q1 2014 compared to Q1 2013, according to the just-completed WFCMA Members Market Trends Study. The hottest product segment across the United States and Canada was luxury vinyl tile (LVT) with 43% of respondents seeing the category experience the greatest sales volume growth. Hardwood was second at 27%.

A total of 119 dealers participated in this survey from across the United States and Canada. Their blind responses were based upon sales activity in Q1 2014. Our participants range from small communities up to large mega-cities.

The panel sees the greatest opportunities in the industry with continued pent-up demand. Quality installation services are key to the success of the specialty retailer and being recognized as the flooring expert and the source for flooring, countertops, cabinets and design. Opportunities are in the mid- to upper-end of products. Customer service, product knowledge and offering an array of luxury vinyl products, loose lay flooring, modular carpet tile are differentiators compared to the Big Boxes.

Forty-three percent of the panel cited hiring/using qualified installers as their primary challenge to their company. Training/retaining a sales force was next at 25%; lack of customers, 13%; competing with Big Box stores, 10%; product knowledge, 7%; and product quality, 2%.

Product Category with Slowest Sales Volume Growth

Laminate flooring was the product category producing the slowest sales volume growth in Q1. This follows the segment's weak performance and loss of favor by consumers throughout 2013.

Product Category with Highest Profit Margin

Fifty percent of the survey group selected carpet as the product segment with the highest profit margin in Q1.

The hardwood segment (34% of respondents) produced the lowest profit margin in Q1 due to competition/price erosion and/or increased product costs. The laminate (22%) and tile/stone (19%) categories followed in lowest profit margin.

Looking at year-over-year sales by category, the LVT segment leads with a 81% growth rate, followed by carpet with 64% growth, and hardwood, with a 61% growth. The resilient category was stable with 51% reporting no change, while the laminate floor category experienced a 48% sales decrease. **(chart 1)**

Chart 1

How have your sales by product category changed in Q1/2014 compared to Q1/2013?			
	Sales Increased	No Change	Sales Decreased
Carpet	64%	26%	10%
Hardwood	61%	20%	19%
Laminate	31%	31%	48%
Luxury Vinyl Tile	81%	16%	3%
Resilient	23%	51%	26%
Tile/Stone	36%	46%	18%
Other	20%	75%	5%

Continued

Market Research, Continued

Advertising

Survey respondents use newspaper/magazine advertising slightly more than online efforts to promote their businesses. Television is next, followed by radio, direct marketing and billboards and public space advertising. The reason 60% of the panel advertise is the quantifiable ROI to justify it. Sixty-four percent of the panel is not considering moving a larger portion of their advertising budget to a different type of media. Likewise, online advertising is the media 65% of respondents are considering for the majority of their future budget.

Competing with the Big Boxes

Even though 84% of the survey respondents have a Big Box retailer within five miles of their store, and 97% have a Big Box in their market area open on Sundays, 81% have open store hours of M-Sat., 9 a.m. until 6 p.m. with Sundays closed. Just 10% of the panel have open store hours seven days a week (M-F, 9 a.m. to 9 p.m., Sat./Sun., 9 a.m. to 6 p.m.).

Technology

Our panel would like to have the following technology tools to benefit their business:

- Interactive touch screen sales presentation
- Instant room measuring/measuring with compatibility into existing software
- Mobile installation scheduling software
- Inventory barcoding software
- Voice recognition estimating software

Product Training (Chart 2)

Just 49% of our panel has suppliers conducting product knowledge sessions in their store once per month. Thirteen percent have weekly training; 2%, daily; and 36%, it seems like never. ■

Chart 2

On average, how often do your suppliers conduct product knowledge sessions in your store?		Response Ratio
Daily		2%
Weekly		13%
Monthly		49%
It Seems Like Never		36%

Consumer Research: Residential Flooring Facts

Market Size: \$22 Billion

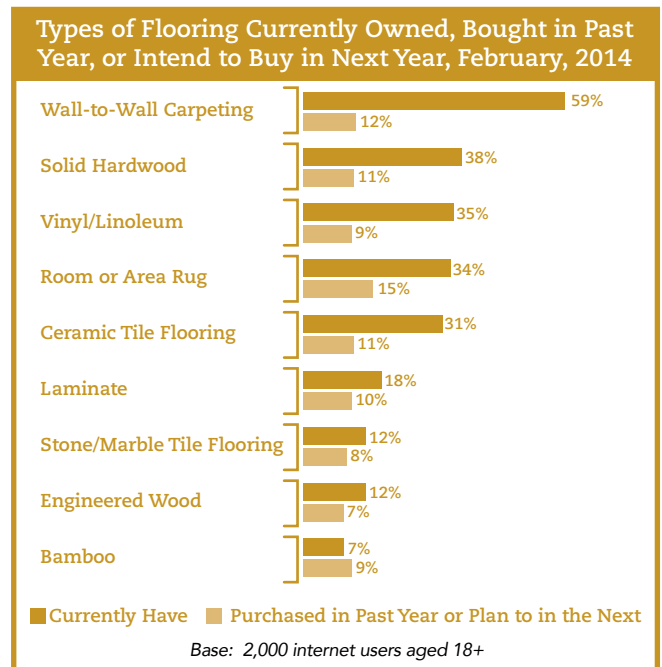
The residential flooring market started to regain momentum in 2012 and picked up steam in 2013 thanks in large part to resurgent real estate and home renovation markets, according to Mintel, global supplier of consumer, product and media intelligence. Continued slow improvement in the economy is encouraging more consumers to make discretionary flooring purchases. The reasons for these purchases are not directly tied to housing and renovations.

Mintel's research confirms recent purchases and planned purchases in the near future are motivated by changing home décor, making house cleaning easier, and creating a healthier environment.

Further results from Mintel research completed in February 2014 of 2,000 internet users over 18-years-old include:

Carpet remains a popular choice with nearly six in 10 consumers reporting they currently have wall-to-wall carpeting in their homes. Carpet is the flooring category respondents are most likely to have purchased in the past year or plan to in the next year. Hard surface flooring's durability, ease

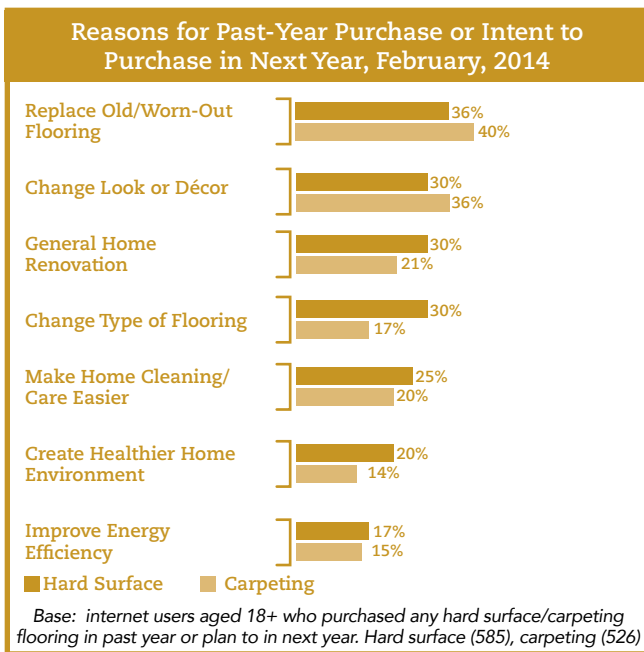
Chart 1



of cleaning and look has made it a popular choice in home renovations. **(chart 1)**

Replacing worn-out or old flooring is the most common cited reason for purchasing flooring, but discretionary motivations, such as changing home décor (carpet) and ease of cleaning and creating a healthier environment (hard surfaces) were cited by the panelists. Lifestyle- and lifestage-related reasons also factor into purchase decisions. Hard surface purchases are also more likely to be motivated by new construction and renovations. According to Mintel's John Owen, senior household analyst, the hard surface flooring segment is benefiting disproportionately from improvement in the real estate and remodeling markets.

Chart 2



Purchases Motivated by More Than Just Replacement of Worn Flooring (chart 2)

Durability tops the list of key attributes when purchasing both hard surface and carpet products, followed closely by ease of cleaning and care, color and style/décor. Ease of cleaning and care is a more important factor in hard surfaces purchases, color ranks high for carpet. **(chart 3)**

Recent flooring purchases and those planned to buy in the next year by the survey group were mostly made at the Big Box (home improvement stores), followed by independent flooring retailers, specialty chains, installer/contractor, mass merchandiser, department store, warehouse club, and others. **(chart 4)**

Chart 3

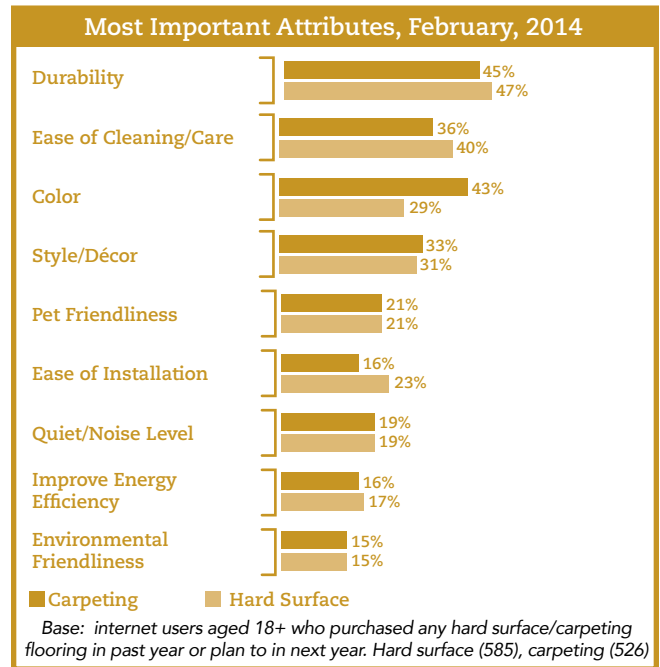
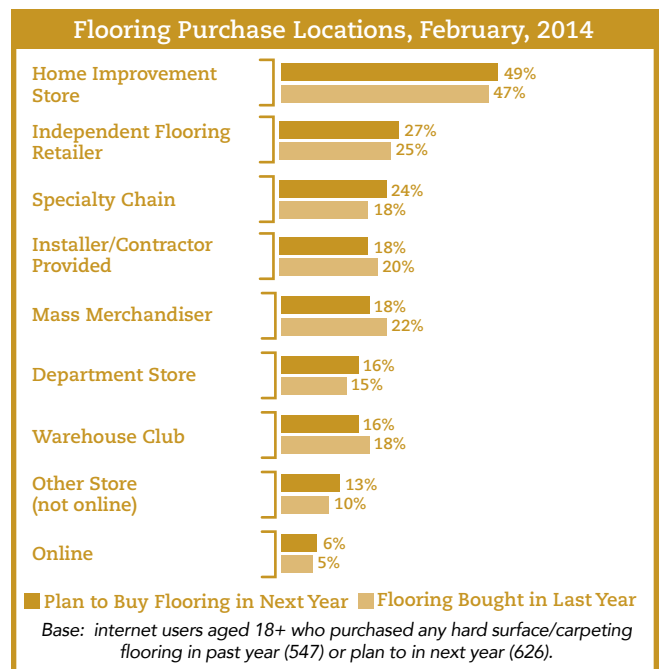


Chart 4



Editor's Note: Mintel is a leading global supplier of consumer, product and media intelligence. For more than 40 years, Mintel has provided insight into key worldwide trends, offering unique data that directly impacts client success. For more information on Mintel, please visit www.mintel.com. ■

Compensation: Deciding to Pay Commission or Salary

By David Romano, Founder and Owner, Benchmarkinc

The controversy of paying commission versus salary in the flooring industry has been as hotly debated as nylon versus polyester carpet and solid versus engineered hardwood. There are advantages and disadvantages to both methods and until now, the true financial outcome of these methods has been a mystery.

Most studies only show the effect on the cost of personnel, but our Member Performance Report surveyed hundreds of flooring retailers online over a three-year period from 2010 - 2012 and took it one step further. We drilled down to the effect on closing rates, average ticket, gross profit, receivables, and net profit. For those of you who pay a salary, it's time to sit down, take a deep breath, and read very carefully.

Commission: Employer Benefits

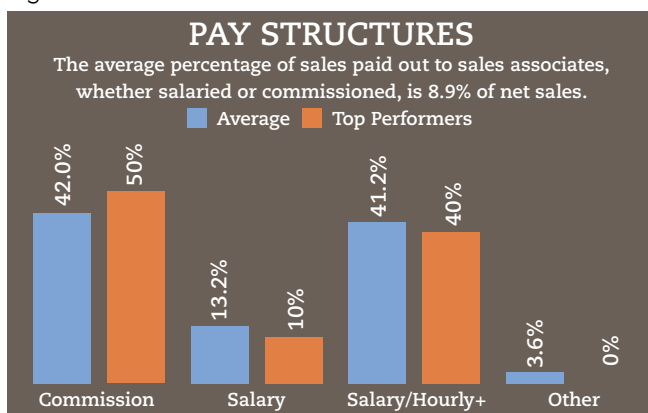
Paying commission means that employers pay only when the sales associate closes a sale. Commission reduces the risk of overpaying sales associates for underperforming. It also helps with cash flow because most commission-based sales associates get paid when the sale is delivered and paid.

Salary: Employer Benefits

Salaries can be beneficial when sales associates perform at a level higher than forecasted when computing the salary. If the commission earned would be greater than the salary paid, then it is a plus for the employer. Some may also argue that paying salaries is more customer-friendly because sales associates are not as aggressive.

Commission: Employee Benefits

Simply put, sales associates are paid for their performance; if they perform well, then they are generously rewarded. If they are paid a salary, then they are capped at a certain earning level even though their sales level would have generated a higher level of income on commission.



Salary: Employee Benefits

Salaries provide a consistent income stream so sales associates do not have worry about the amount each paycheck to cover expenses. Sales associates are able to create a budget and do financial planning without the risk of a shortfall.

Survey Results

According to a survey completed by Benchmarkinc several years ago of more than 1,000 flooring retailers, the percentage of these companies paying just salary was only 13.2%. Forty-two percent of all survey participants paid commission only, and 41.2% paid a combination of a salary (hourly wage) plus commission.

Of the Top Performers, the top 10% in net income percentage, only 10% paid a salary. Half paid straight commission, while 40% paid a combination of salary/hourly wage plus commission.

For those paying salaries, the following data offers eye-opening figures from those who paid commission instead of a salary:

- The sales productivity (calculated by taking the net sales volume and dividing it by the number of full time equivalents) per sales associate was \$145,439 more per year than those who were paid a salary.
- Average transactions were more than \$150 higher than salaried counterparts
- The aging of accounts receivable was 3.4 days less
- Gross profit was .6% higher
- Average volume for stores that paid commission was just over \$4.2 million versus just over \$1.7 million for those who were paid salary only.

Effective Commission Systems

During my visits with hundreds of flooring retailers over the last decade, many commission systems were encountered. Listed below are the most common:

Draw against commission – sales associates are given a draw against future commission and then trued (adjusted) up the first pay period of the following month commissions are earned.

- Draws can range from \$500 per week to \$1,500 per week based on the historical sales performance of the individual sales associate
- Commission are paid on a sliding scale based on profit or a percentage of profit

Instituting the correct compensation plan for your sales associates needs to be one of the most planned events in your company.

- Percentages of profit range from 20% to 35%; with 25% being the most common for retail and 30% the most common for the builder/commercial/multifamily segments
- Sliding scales set a floor and ceiling from which sales associates get paid
- Normal scales range from 2% to 15% of net sales sliding up or down based on profit

Infrequently, we find companies that pay on net sale regardless of profit or those that pay on written sales.

Conclusion

There are many cute sayings that can describe whether paying commission or salary is the best option for your business, such as: "The proof is in the pudding"; "The numbers don't lie"; and "It's a no brainer." There are just too many positive factors to paying commission that the benefits of paying a salary to the employee or employer are trumped.

For those that do pay a salary and are looking to transition to commission, one suggestion is to guarantee that your sales

associates will not earn less than their current salary for six months. If they earn more on the commission schedule, then they will receive the benefit of the higher income; and if they earn less, then they will earn up the amount of their salary.

Instituting the correct compensation plan for your sales associates needs to be one of the most planned events in your company. It could make the difference between meeting goals and making money, to constant turnover and unproductive sales associates. ■

ABOUT THE AUTHOR

David Romano is founder and owner of Benchmarkinc and its predecessor, Romano Consulting Group. David's professional career spans nearly 20 years of management experience in the retail, restaurant and consulting industries. His companies have been providing consulting, benchmarking, and recruiting services for nearly a decade exclusively for the flooring and restoration industries.



In Memoriam

Obituary: Elizabeth Brown, French-Brown Floors

Elizabeth Swift Brown, founding partner of French-Brown Floors in Dallas, Texas, passed away on May 23 at the age of 95. Her husband Von was the president of the WFCA in 1973 and son Mitchell, in 1992-93.

Mrs. Brown lived a long and full life with many lasting contributions both to her community and to our industry. In addition to starting her own successful business with her husband in 1952, she was a founding member of the International Furnishings and Design Association (IFDA) and recipient of multiple national awards and recognitions.



At the IFDA she served as president of the Southwest Chapter; president of the National Chapter; National Foundation president; and received their National Honorary Recognition Award. (Only nine people have received this recognition in the history of the association.) In 2001,

the IFDA created an educational scholarship fund in her name. She was also the recipient of the Community Service Award by the American Society of Interior Designers for "projects that improve design and/or quality of life in the community." Mrs. Brown held the position of president of the Greater Dallas Floor Covering Association. She was also elected to *Western Floors Magazine's* Hall of Fame in 1975. She was named Person of the Year by *Modern Floors Magazine*. Mrs. Brown was the keynote speaker at the National Wood Flooring Association conference in Kansas City and was given their Industry Leadership Award.

Mrs. Brown is survived by her three sons and their wives – Richard and Shari Brown, Stephen and Tana Brown, and WFCA Board Member, Mitchell Brown and his wife Betsy — in addition to six grandchildren and six great-grandchildren.

Services for Mrs. Brown were held in Dallas on May 28th. In lieu of flowers, the family requests that donations be made in her name to the Macular Degeneration Foundation. ■

WFCA Behind the Scenes

Showcasing Some of the Best New Products in Our Industry

By Leah Gross-Harmon, Story Dept.

Let's face it: for an industry that is rooted in tradition yet works with cutting-edge technology and has to provide style leadership, we're not the best at tooting our own horn. Consider the constant inundation of media by the entertainment, automotive, soft drink, dairy and fashion industries.

The flooring industry is well on its way to getting itself into the public eye and ramping up public awareness of what we have always known: its products are a vital part of everybody's lives.

Whether it's the game-changing advancements, brand new technology, or new product inventions and designs, our industry is bursting with energy. For over a decade, the WFCA has sponsored an ongoing campaign to educate consumers about our industry and all the amazing things going on in the world of flooring. Each year since its inception, this initiative has touched and been seen by millions upon millions of consumers across the country.

The WFCA conducts comprehensive media tours every year as part of this program. The association's leadership team meets with editors at the top home and shelter magazines, newspapers and websites across the country. Think *House Beautiful*, *Interior Design*, *Good Housekeeping* and *Better Homes & Gardens*, just to name a few. Through its ongoing annual media tours, the WFCA strives to reach your customer in all of the places that she turns for information about her home.

To prepare for each year's media tour, WFCA trend scouts select innovative new products from every flooring category that launched at the Surfaces tradeshow and industry-wide. Hundreds of new products are reviewed and researched in preparation for the tour. Conversations with in-house executives at targeted manufacturers are also key to identifying and honing in on the best products and most important trends to showcase. Once the final product line-up is identified, sample-size pieces of each product are ordered and messaging on each is prepared.



This year's tour kicked off in late April –with a three-day New York City leg including meetings with press contacts at *Interior Design*, *Good Housekeeping*, *Elle Décor*, *HGTV Magazine*, *Veranda*, *Traditional Home*, *This Old House*, *House Beautiful*, *The Nest*, *Parents* and other media outlets. At each meeting, the individual standout product trends were introduced along with messaging. Editors were invited to review, touch and ask questions about the specific product presented.

Following the New York leg, the tour extended to Birmingham for meetings with *Southern Living* and *Coastal Living* magazines. Then the WFCA team was on to Des Moines to meet with editors from *Better Homes & Gardens*, *BHG.com*, *Traditional Home*, *BH&G Real-Life Kitchens & Baths*, *Midwest Living*, *BHG Kitchen & Bath Ideas*, *BHG Remodel*, *Meredith Publications (BHG Book Series)* and *BHG Home Design Group*, among others.

These meetings help to seed the visions and ideas that turn into feature articles, columns and write-ups appearing throughout the year in some of the largest and most influential consumer magazines and media outlets in the country.

So what are the press going to be writing about you ask? What we recognized as the industry's best and trendiest for our media tour probably might also resemble items that your customer is gravitating to. In some cases, though, we found some industry standouts that are breaking new ground and seem poised to excite consumer interest. Check out our unique line-up below in a few of the flooring categories and more products in the "New Product Showcase" in the magazine.

Tile Trends

Consumers are crazy about Mother Nature right now - whether its eco-friendly products or floors that look like items found in nature. Tile might not be the first floor that comes to mind when thinking about the outdoors. But one company in particular—**Artistic Tile** based in Secaucus, NJ—

Have you touched the new **paper shag rugs**? Breathed the **fresh air** brought about through new **purifying hardwood floors**? How do you feel about **Installing** beaten up **truck decks** on your floor?

offers a product line-up that makes the connection brilliantly. Their Foliage collection includes leaf-shaped tiles from the company's Jazz Glass collection. The stained glass tiles are hand-crafted, come in three color combinations and will work in low traffic areas. Artistic Tile also offers their Noir collection, featuring midnight black limestone that is aged with a rutted patina and hand-sculpted antiqued sides. When installed and under the right light, the tiles twinkle like a night sky.

Sticking to the natural theme, we've all seen the lookalike porcelain wood planks—but have you seen “petrified” porcelain? **Emser Tile** debuted a re-creation of petrified wood on porcelain in their Modena line this year. The planks come in five color variations and are 6" x 35" long.

Area Rug Trends

Area rugs this year are all about affordability and color — the latter being especially important to today's consumer. The days of expensive heirloom rugs are on hold, and the stage is set for pieces that mimic expensive looks, but don't carry the heart-stopping price tag. **Oriental Weavers** offers standout colorful pieces that take inspiration from the fashion runways and mimic wool for a fraction of the price. They've even mastered giving their 100% polypropylene rugs the worn-in, “pre-loved” look that is so popular in fashion. An 8'x10' rug runs just \$350 retail.

Speaking of affordable, this year **Stanton** — a company renowned for gorgeous, high-end rugs and carpets — launched interchangeable solid and multi-colored square rug panels that can be connected through a Velcro backing. Creative consumers can buy the affordably priced, luxuriously soft 18" x 18" squares and assemble them on their own. **Anji Mountain**, a St. Louis based manufacturer, has created the ultimate in sustainability — the Paper Shag Rug. It's an amazingly soft rug containing over 50% recycled paper in its fibers. To top it off, its priced very affordably at \$299 retail for an 8'x10'.



Resilient Trends

Luxury vinyl tile hits the mark when it comes to current consumer demands in flooring. LVT is both affordable and low maintenance — it's no wonder we've seen resurgence in vinyl over the last decade. One company has launched a vinyl so unique it would have Elvis doing a double take.

Raskin Gorilla Floors extended their Elevations line with the industry's first loose lay woven vinyl flooring. Never before in the history of the category has there been a resilient that successfully achieved a woven rug look. The new line offers the warmth of carpet with the performance of vinyl. Even better, unlike traditional LVT, there are truly no repetitive patterns in Elevations. Every piece is a unique weave of miniscule vinyl fibers.

Hardwood Trends

Richer colors, longer and wider planks, and enhanced finishes are just a few of the trends appearing in this category this year. The classic look and integrity of hardwood translates to flooring that may very well outlast the lifetime of your house.

Distressed, weathered and grey looks in wood are in. One company hits the mark putting texture in a class all its own. **Indus Parquet** debuted Legno Antique Demolition Texture hardwood floors this year. It was the demolition texture that grabbed our attention: the surface of this floor looks as if it's been through the mill. And, an apocalypse or two. No doubt this floor will hide wear and tear better than most.

Another highlight in textured wood is eco-friendly reclaimed wood. You're familiar with it, right? Well, how about floors made from used food crates and old truck decks? Two new floors debuted by **Viridian** hardwood offer unsurpassed character and antiqued wear that is nearly impossible to recreate. Jakarta Market Blend is made from 100% transpacific shipping crates and Route 66 Truck Deck is made from the reclaimed beds of 18-wheelers. Now these are floors with stories to tell.

Lastly in wood we're reading a lot about surface treatments. **Lauzon's** new Pure Genius hardwood line imparts an air purifying quality into the finish of the floor. It is activated by both natural and artificial light, titanium dioxide on the surface of the floor operates much like a living tree in your home, continually breaking down toxins in the air and converting them into harmless water and carbon dioxide. ■

The Best Return on Your Investment

By Scott Humphrey, CEO, World Floor Covering Association

You did not get to where you are by accident. Chances are if you are reading this issue of *PFR*, then you are part of an elite group of retailers committed to be more, do more, and make more of yourself and your business. In fact, it is that determination that drives you.

You work harder than most and are likely smarter than most businesspeople. You are constantly looking at ways you can invest your earnings to get the greatest return. But are you getting the best return on your investment? Are the time and effort you are putting in taking you to your desired end result? Are you finding yourself working harder and longer just to meet past successes? If so, you are not in the minority. Many retailers in this industry got where they are by *doing it all*. But is there a better way, one that will allow you greater success and the opportunity to enjoy the business and life you have created?

The two things you can consistently do that are proven to decrease turnover and increase productivity are to invest time and training in your people.

Yes there is, and the top tier in all realms of life have discovered this key secret: *your ultimate success lies not in what you can do, but in what the people with whom you surround yourself can do*. It is not simply enough to have the right number of people on your team. Many of your competitors are adequately staffed. The question is: Is your staff adequately equipped to do what is necessary for your business to succeed?

It seems ironic that one of the first things retailers do when the money gets tight is cut their training budget. If you get nothing else from this article, please let the following statement sink in: *The two things you can consistently do that are proven to decrease turnover and increase productivity are to invest time and training in your people*. I say this based on amazing amounts of research and personal experience.

During my 40 plus years in the flooring industry, I have served in many capacities including manufacturing, sales, recruiting, training, and leadership development. I have seen firsthand the positive impact training can have on an organization and the downfall of those who can't seem to grasp this truth. Even within the same organization, when one manager embraces training and invests in their people, and while another sees it as simply an expense with no ROI, the end results are dramatically different.

So why don't companies invest in training? It is a great question. The answer is simple...yet complicated. The simple answer is that it is difficult to prove the tangible value of

training. It is complicated because training impacts so many intangibles. Consider the following example.

Let's say you invest in training your salespeople in the area of selling skills. Research says 33% of those who attend the training will embrace it and make necessary changes in the way they do their jobs. Surprisingly, this group will be prone to give the credit to outlying factors like the economy. The next 33% will be quasi engaged and may take something away or may not. The final 33% are what are commonly known in the training industry as *prisoners*. They feel they already know it all and that the training is simply a waste of time.

Unfortunately, when it comes to evaluating the success of the sales training investment, our tendency is to notice the ones that did not embrace the new skills. Instead of noticing the improvement in those who seek to be

their best, we observe the wasted investment of those who needed to change, but didn't.

Here is the question you need to ask yourself: Is the problem the training program my people attended, or is the problem some of my people?"

Here are some keys to successfully train your people:

Set the example – We need leaders that embrace the wisdom of Mahatma Gandhi who said, "Live as if you were to die tomorrow. Learn as if you were to live forever." The challenge is modeling and embracing this mindset of lifelong learning. You read that correctly. The problem likely doesn't lie solely with the low performers on your staff. Your team will tend to mimic what is important to you. If you never show any effort to invest in and educate yourself, it is very unlikely that they will either.

Evaluate the need – Take the time to sit down and determine what your greatest needs are. If you bring in training that is remedial to your people, you waste their time, your money, and damage their view of training going forward.

Use available resources – There is so much training available in this industry through the potential memberships and partnerships with buying groups, manufacturing groups and associations like the WFCA. This training comes in every imaginable format from facilitator lead to online. You just have to use it.

“If you have **individuals** who **refuse** to embrace **training** and even **ridicule** those that do, **challenge them to change** their attitude. **If they do not, you’re better off without them.**”

Multi-billionaire Bill Gates has said, “Our success has really been based on partnerships from the very beginning.” That is the goal of the WFCA and our purpose for existing. We desire to be that partner that will ensure your success and profitability. We have numerous resources available today and are developing more that are designed to help you succeed. If you are a member of the WFCA, you can find these resources at wfca-pro.org.

Reward your learners – Pay bonuses based on training completed. Make a big deal out of those who continually seek to improve. By doing so, you will create an environment that embraces lifelong learning. And, you are the ultimate winner. Research shows that an employee will return five times greater the investment you made in their training.

Cut the dead weight – If you have individuals who refuse to embrace training and even ridicule those that do, challenge them to change their attitude. If they do not, you’re better off without them. We all make hiring mistakes. You aren’t helping that person by carrying them in a position that isn’t suited to their skills. On the other hand, your willingness to put up with their attitude is likely conveying the message to the rest of your staff that you are not truly concerned with their improvement.

Empower your people – Use those who have excelled in a given area to train those who are new or struggling. This increases respect for the achiever and sends a clear message to everyone else that you honor those who find a better way to get it done. These training opportunities can be one-on-one or small staff meetings, but should be limited to 10-15 minutes whenever possible. Bill Gates says it well, “As we look ahead into the next century, leaders will be those who empower others.”

Set the expectation – Make sure there is no question in your employee’s minds about your commitment to and expectation for their training. Bill Gates was once questioned on the power of creating a vision for your employees. He noted, “The vision is really about empowering workers giving them all the information about what’s going on so they can do a lot more than they’ve done in the past.” Isn’t that what we all want? The ability to do more, know more, and be more. This is what will truly help us to stand out from our competition.

I recently had a conversation with my son. We were discussing my expectations of him and my reaction when I see him fall short of that mark. The words that came out of my mouth seem very appropriate for any leader. I said, “I am not nearly as

focused on what you are as I am on what I know you can be.” Training is investing in others because we are focused on what we know they can be. It is by far your greatest opportunity to differentiate yourself from your competition and assure a positive return on your investment.

If you have thoughts, suggestions, or stories of what is working for you, please contact me at scott@pfrmagazine.com. ■

ABOUT THE AUTHOR

After 43 years in the flooring industry, WFCA CEO Scott Humphrey has seen it all. His knowledge is extensive from his position as manager of Leadership Development and Training Services for the Shaw Learning Academy to helping Shaw Flooring Network members turn difficult situations into success stories.





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8 Steps to Facebook Advertising

By Josh "The Fixer" McGinnis, Owner, Unlock Your Biz

Editor's Note: In the May/June issue, Josh outlined the implementation of a social media program on Facebook. After beginning the social media component to engage your customers, follow with the step-by-step advertising strategy detailed in this issue.

The wonderful part of Facebook is people use it for socialization and entertainment. People are actively engaged when using this form of entertainment. This means they are more likely to recognize an advertisement that relates to them. This issue's article is more of a how-to on placing your ad on Facebook.

Step 1: Write the Post/Offer

This is the most difficult step. Like all marketing, you need to keep your target market in mind as you create the offer. Pick something they would find appealing. It could be price, free product, or the best -- educating your potential customer. You see, there are only a small percentage of people who are actively buying flooring at any given moment in time; however, there is a significantly larger percentage thinking about purchasing your product or could be thinking about it with the right offer.

Write the offer as a post on your page and attach a great image to go with it. Images that work well on Facebook would either be a flooring image or one of a person. Make sure the image matches the offer you are making and looks engaging.



Don't get hung up on trying to get this too perfect. One of the best ads I've run had an image of a construction hat and it worked because the image got attention.

Once you create the offer and put the right image to it, you can hide the post if you don't want your fans to see it or leave it up for all to see. I typically don't hide ads.

Step 2: Click on the "Create Ad" Button

This will be found in many different places depending on how you set up your Facebook page. It will look like the green button below.

Step 3: Click on Page Post Engagements

There will be a long list of possible ways to advertise on Facebook. I strongly suggest you start with Page Post Engagements and then expand as you become more comfortable and successful with your ads. Page post engagements are about increasing the comments, likes, and shares of your post. This is also the easiest type of ad to start with on Facebook.

What kind of results do you want for your ads?



Step 4: Select Your Page and Post to Advertise

You will see the image below and may have to select your page (only if you have multiple Facebook pages). Once you do this, select the post you created in Step 1 from a drop down list. This will create your ad, but you still haven't created the target group. Selecting your target group is the next step.

What kind of results do you want for your ads?



Step 5: Select Your Audience

This is where things get very interesting. You can select amazing details to target your ad, but I would suggest only starting with the most basic. Under location, you can either enter a city or a zip code. If you use a zip code, your ad will only be shown to people in that particular zip code. If you pick a city, you can select how far outside of the city you would

“You can **select** amazing **details** to **target** your ad, but I would suggest only **starting** with the most **basic**.”

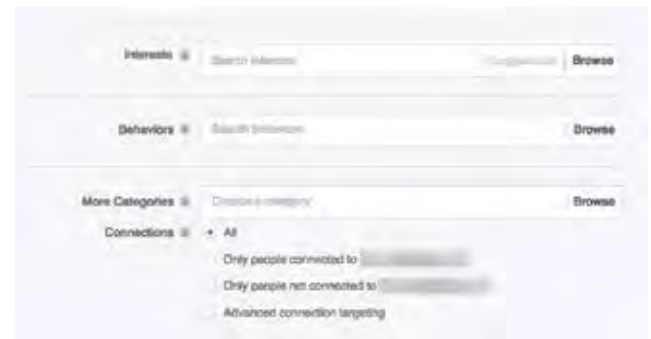
like to go. In my example below, I selected 50 miles outside of Sacramento. You have the option of picking a smaller or larger radius. Select the distance that makes sense to your market.

Move onto the other demographics of age and gender and language if language applies (if you are in a market with multiple languages, you can post ads only targeting those languages). Select the age range you would like to target and the gender or genders that make the most sense for your market. I would recommend either women only or all genders.

These selections will define your audience. One issue you may have is having too small of a market group and Facebook may require you to remove some of your filters. You will see this in the Audience Definition graph below.



I recommend not doing any specific interests or behaviors for your ad. This typically only applies to very large cities or when advertising across the whole country. For your Connections, I would target All.



Step 6: Paying for the Ad

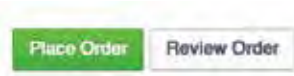
Give the ad a name related to what you are advertising and select a daily budget of only a few dollars (\$5 or \$10) as a test. If the ad does great, you can increase the budget. As for the schedule, I would run it continuously and just stop when you want to.

This brings you to the bidding section. Under Bidding, select “Bid for Page Post Engagement.” This makes it simple to get started and allows you the best chance of an early success.



Step 7: Place the Order

You are finished and now it’s time to click the green button to Place the Order for your ad. You can review the order if you would like.



Step 8: Review

Every day or so, go into your ad campaign and review the performance of your ad. For now, just pay attention to how many people are commenting, liking, and sharing the ad. You can also look at the clicks and cost per click.

Facebook allows you to reach out to their customers in amazing ways. While the entire process can be complicated, getting started doesn’t have to be. If you are having problems, let me help you. Give me a call at 423-702-5564 or send me an email to Josh@unlockyourbiz.com. ■

ABOUT THE AUTHOR

Josh “The Fixer” McGinnis is in the top 5% of business coaches worldwide. He specializes in fixing marketing, sales, and people problems so his clients can maximize their growth potential. His clients routinely outperform the national average for their individual industries. This is part of the reason he has doubled his own business by word of mouth and referrals each year for the last four years.



Contact Josh via email at josh@unlockyourbiz.com or (800) 528-5055.

Training Salespeople - Selling and Marketing to the Next Generation of Younger Clients

By Michael Vickers, Executive Director, Summit Learning Systems

In today's competitive and rapidly changing marketplace, our ability as flooring retailers to connect with the various customer segments is critical to our long-term success.

Our current sales models work well with the Baby Boomers, but the strategies and tactics we use to gain those customers may in fact be pushing away a significant number of other potential customers. Our success as a retailer will depend on our ability to attract and connect with the next generation of buyers. To connect, we first we have to understand them.

The next generation of buyers are currently about 49 years of age and younger. We collectively refer to them as Generation X or Generation Y (Millennials).

Generation X: (Born 1965-1979)

Overall Characteristics: Rebelliousness, independent, entrepreneurial, skeptical, ecology-minded, anti-consumerist and short attention spans.

Time is a precious commodity for these ultra busy young families. Anything you can do to make the shopping experience less onerous and time-consuming will make them happy campers. Savvy flooring retailers offer in-house cappuccinos or lattes. They have activity centers and computer kiosks to keep the children engaged while the parents are shopping.

Current research shows that better than 80% of Generation X is checking you out online on Facebook, Google and Twitter. They are price-checking you and are asking their friends for referrals. They represent about 17% of the U.S. population.

Millennial or Generation Y: (Born 1980-1994)

Overall Characteristics: Style conscious, tech-savvy, prematurely affluent, independent, needy, socially and environmentally aware, community-oriented, pro-gender equality and multi-cultural.

To connect with either of these groups of buyers, you might want to consider playing contemporary music. As mentioned,



some generationally aware retailers offer gourmet coffee stations versus the burnt 10W30 others have been providing. Bottled water is a given, but make sure you have a recycle bin nearby as well. In-store WiFi will let these buyers, connect and obtain information and coupons etc. This group of buyers has a need for immediate gratification and will tweet and text their friends about special deals and in-store promotions. They are visually oriented and love design and cool buying experiences. (Think Apple Store).

Across the board, about half of this generation of buyers feel that brands say something about who they are, what their values are and where they fit in. These younger buyers are more reliant on word-of-mouth and less reliant on advertising.

So, as a flooring retailer, how can you connect and engage with this demographic segment? The research reveals that they want to be rewarded for their loyalty with discounts and promotions. They also want their brands to be authentic, support causes and have a brand personality that they can identify with.

Another important generational insight to pay attention to is that this younger generation is known for its independent

The **bottom line** is if you don't have a **social or mobile strategy** in place, you better **re-think** your marketing **strategy** and **how you are connecting.**

Regardless of what market segments you are going to position your company in, remember that the personal connection between product and consumer is of crucial importance.

and skeptical approach to mass marketing. They represent an affluent demographic that are buying homes earlier and are starting families later. They represent about 38% of the U.S. population.

Okay, so here is some hard data on this demographic group.

- 93% use a mobile device
- 93% actively use the Internet
- 84% use Social Media
- More than half of them use Twitter
- 75% of them are on Facebook

Starting to get the picture? The bottom line is if you don't have a social or mobile strategy in place, you better re-think your marketing strategy and how you are connecting.

Make sure you evaluate what you are currently doing and see if it's aligned with the stats in this article. Successful retailers

will use this data to discover trends with what works and what doesn't for each generation.

Regardless of what market segments you are going to position your company in, remember that the personal connection between product and consumer is of crucial importance. The bottom line with your go-to-market strategy is to make it easy, make it fun, make it cool and stay in touch with relevant information that improves the lifestyle of your buyer. ■

ABOUT THE AUTHOR

Michael Vickers is executive director of Summit Learning Systems, a provider of customized in-house training and e-learning programs; and the author of the best-selling book, *Becoming Preferred - How to Outsell Your Competition*. Contact Michael at: www.michaelvickers.com.



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