



Contract Flooring

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A Proposed Study of the 2014 North American Market
5th Edition - Winter 2013



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The 2014 North American Market for Contract Flooring

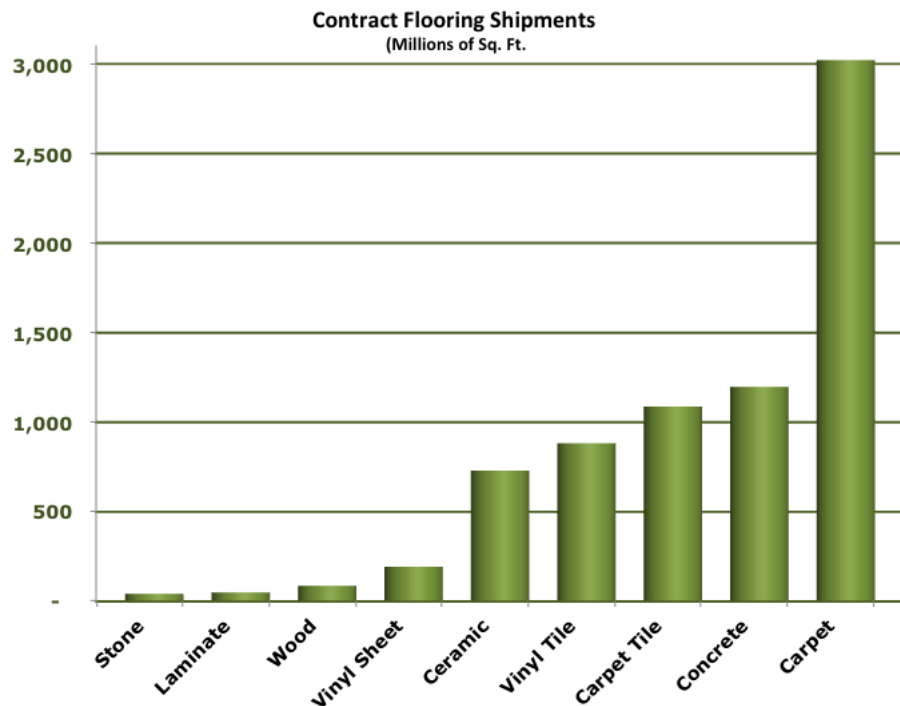
Introduction & Research Background

Ciprus Limited LLC is pleased to announce the 5th Edition of the North American Market for Contract Flooring. The original study published in 1991 was followed by the second edition in 1996, a third in 2000, and the fourth in 2006.

Profound changes have impacted the commercial market for flooring surfaces through difficult economic times. However, with a recovery in commercial markets, now is the time to reevaluate flooring replacement and installation activities to capitalize on growth opportunities. With this backdrop, Ciprus Limited is offering the 5th Edition of this invaluable research.

This report, the most comprehensive of its type, will present a comprehensive analysis of replacement and installation activity in existing buildings as well as new buildings by establishment type and by region.

The research will target 18 flooring surfaces; vinyl sheet, linoleum sheet, rubber sheet, vinyl tile, linoleum tile, solid vinyl tile, luxury tile, rubber tile, carpet, carpet tile, concrete unfinished and polished, stone, terrazzo, wood factory finish, wood site finish, laminate and ceramic.



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What the Study Will Cover

The 18 flooring surfaces align with other research completed by Ciprus Limited specifically The North American Market for Commercial Flooring Maintenance.

With a history of 23 years, the 2014 edition will provide a comparison to previous editions including 1991, 1996, 2000 and 2006.

This study will focus upon capturing market back information from a combination of personal interviews and a large telephone based survey. The study methodology is divided into two major phases is outlined in the table below.

Fifth Edition - Research Issues and Study Direction	
Phase 1	Determine the 2014 Square Foot Market Size
	Determine Square Foot Market Size By Flooring Material Share of Market
	Set Forth Contract Sales by End-Use Market Segments
	Provide New Vs Replacement Shipments in Square Feet
	Determine End-Use Area of Application in Square Feet for Replacement Shipments
	Provide Square Foot Shipments by Material by Segment by New Vs Renovation
	Describe Buying Influences and Trends in the Market
Phase II	Determine the 2003 Replacement Index for Selected Flooring Products by Region, Establishment Size and Product Category
	Products - Stone, Ceramic, Resilient (tile, sheet, linoleum), Wood, Laminate, Carpet, and Carpet Tile
	What is the Replacement Index by Type of Establishment
	Where Material was Installed
	By Whom and Why was the Material Selected
	Where was the Material Purchased
	Who Installed the Material
	What did the Material Replace and Why
How was the material disposed of and by whom	

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The following Prospectus has been developed to illustrate the study content, how it will be organized and what results can be expected. As in past editions, the research has been designed to enable those companies using replacement index analysis with the critical information necessary to render meaningful flooring opportunity decisions. To enhance this analysis, the study has been designed to be used in conjunction with McGraw Hill Dodge Data or similar data to project the data on a national basis.

As a Charter Subscriber you will have the added benefit of actually designing some of your own research objectives into the study to meet your specific needs.

The study will provide subscribers with the most accurate, relevant and up-to-date planning information ever assembled in one volume on the multi-billion dollar contract flooring marketplace.

Flooring Surfaces Nine major flooring product categories will be analyzed in depth:

Flooring Surfaces Included

Carpet Nylon Olefins Wool Blends	Carpet Tile Nylon Olefins Wool Blends	Ceramic Tile Glazed Unglazed Mosaic Quarry
Stone Marble Granite Agglomerate Terrazzo	Laminate Attached Underlay Separate Underlay	Rubber Sheet Tile
Vinyl Flooring Sheet Tile Linoleum Luxury Safety Solid	Wood Oak Strip Solid Plank Parquet Maple Engineered Plank Factory/Site Finish	Concrete Coated Unfinished

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Standard Industrial Codes

SIC Codes The research will include the following SIC Codes:

Establishment Type	Major SIC Classification	SIC Description
Offices		
	60-67	Finance, Insurance, Real Estate
	72	Personal Services
	73	Business Services
	81	Legal Services
	83	Social Services
	20-39	Manufacturing
	50-51	Wholesale Trade
	86	Membership Organizations
Manufacturing		
	20-39	Manufacturing
Retail Stores		
	52	Building Materials
	53	General Merchandise
	54	Food Stores
	55	Auto Dealerships
	56	Apparel Stores
	57	Home Furnishings
	58	Eating & Drinking Places
	59	Misc. Retail Stores
Education		
		Education (Elementary, Secondary, Universities)
Healthcare		
	80	Health Services (Hospitals, Nursing Care, Clinics Dr.s Offices)
Hospitality		
	70	Hotels, Motels, Casinos, Inns
Gov't & Misc.		
	91-97	Government (Federal, State, Local)
	78-79	Amusements
	75	Auto Services
	76	Misc. Repair Services
	89	Other Misc. Services
Transportation		
	41-49	Transportation

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Establishment Size The study will analyze each flooring surface and geographic area by establishment size as follows:

Size	Employees
Small	1 - 9
Medium	10-99
Large	100-499
Very Large	500+

Geographic Location Analysis One of the major goals of the study will be to analyze Contract Flooring on a geographic basis divided according to regions:

U.S. Regions	Canadian Regions
NorthEast	Canada - Total
South	East (Optional)
MidWest	Central (Optional)
West	West (Optional)

3 regions in Canada will be included if interest is sufficient

Areas of Application The following areas will be included:

Areas of Application	
Rest Rooms	Physical Plant/Boiler/Power House
Food Service - Dining Areas	Classrooms
Food Service - Food Counter	Auto Service Areas
Food Service - Kitchen, Back of House	Storage Areas/Warehouse Areas
Corridors & Hallways	Shipping & Receiving
Public Assembly	Vehicle Parking Areas
Offices	Dorm Rooms
Guest Rooms	Manufacturing Areas
Administrative Areas	Entire Facility
Lobbies	Outdoor Pedestrian Walkways
Elevators	Healthcare - Patient Rooms
Recreational Areas	Healthcare - Interventional (OR/ER)
Retail Showrooms/Display Floors	Healthcare - Therapy
Retail Cash Wrap	Healthcare - Diagnostic (Labs)
	Healthcare - Nursing Stations

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How the Information will Be Presented

Written Report Each subscriber will receive PDF reports containing over 1,000+ pages of narrative comments, statistical tables, graphs and other visual information that will be organized by market segment and product category.

The issues directing the research cover the following topics:

1. **Market Size** The report will document 2014 Market Size in appropriate unit measurements; square feet and dollars.

2. **Growth Rates** Past and projected growth by product category, market segment and region will be analyzed over a 31-year time span (1986 through 2014 with projections to 2017).

3. **Market Segments** The organization of the data will show market segments that are expanded from the previous editions of this research and include:

- Offices
- Retail
- Healthcare
- Gov't & Misc.
- Manufacturing
- Education
- Hospitality
- Transportation

4. **End-Use Applications** Each major end-use category will be treated separately within each major market segment covering :

- Rest Rooms
- Food Service - Dining
- Food Service - Counter
- Food Service - Kitchen
- Corridors & Hallways
- Public Assembly
- Offices
- Guest Rooms
- Administrative Areas
- Lobbies
- Elevators
- Recreation Areas
- Retail Showrooms
- Retail Cash Wrap
- Physical Plant
- Classrooms
- Auto Service Areas
- Storage Areas
- Shipping & Receiving
- Vehicle Parking Areas
- Dorm Rooms
- Manufacturing Areas
- Entire Facility
- Outdoor Pedestrian Walkways
- Health Care - Patient Rooms
- Health Care - Interventional
- Health Care - Therapy
- Health Care - Diagnostic (Labs)
- Health Care - Nursing Stations

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5. **Flooring Products** Each flooring material represented within the research will be reported separately, by market segment, geographic location and application area for the six major product categories:

- Carpet
- Carpet Tile
- Concrete Polished
- Concrete Unfinished
- Laminate
- Linoleum Sheet
- Linoleum Tile
- Rubber Sheet
- Rubber Tile
- Solid Vinyl Tile
- Luxury Vinyl Tile
- Stone (marble, granite, slate)
- Terrazzo
- Vinyl Sheet
- Vinyl Tile
- Wood-Factory Finish
- Wood-Site Finish
- Ceramic

6. **Major Producers** A separate section of the report will identify and describe small, medium and large producers by each flooring product category.

7. **Trends** Each end-use chapter will pinpoint emerging trends and reasons for growth or decline in each market segment.

8. **Reasons for Product Selection** Each end-use chapter will describe the reasons why decision makers selected a specific type of floor covering product.

9. **Unmet Needs** The study will explore the market perception concerning unmet needs in design and materials.

10. **Decision Makers** The study will identify the major end-user specifiers and buyers, by size, including:

- Developers
- Builders
- Owner Tenants
- Management Companies
- Corp. Real Estate Depts.
- Non-Owner Occupants
- Facility Managers
- Interior Designers
- Architects
- Fed, State, Local

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11. **Buying Influences** Purchase factors and the decision making process will be presented and discussed for each major market segment within each of the product categories.

12. **Buying Situations** The market will be quantified to show and analyze purchasing situations for flooring materials that include products for New Construction and Replacement by:

- Region
- Product Category
- By Brand
- Market Segment

13. **Regional Differences** Will be analyzed and quantified for the 16 product categories and market segments by five McGraw - Hill - Dodge defined regions which include:

- US - NorthEast
- US - South
- US - MidWest
- US - West
- Canada
- Canada - East (optional)
- Canada - Central (optional)
- Canada - West (optional)

14. **Replacement Index** The replacement index is defined as the number of square feet replaced with either a like flooring surface or a different flooring surface. This is then divided by the total square footage of all establishments in the sample. This data can be used to calculate per capita replacement by establishment type, size and region.

A quantitative replacement index will be developed for 2014 that will show the index of replacement by product category, market segment and region.

15. **Replacement Incidence** The replacement incidence is defined as the number of establishments replacing flooring divided among all establishments in the sample.

Using data from an established source such as Dun & Bradstreet, the replacement incidence can be utilized with the total number of establishments in each segment as well as the replacement index to calculate the total market size.

16. **Opportunities** New opportunities will be reported for all product categories in the study.

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Research Methods

In order to produce the comprehensive and authoritative study that is planned, the project will be divided into two parts .

Part I Several hundred research hours will be expended, including over face-to-face and telephone discussions with key flooring industry members to quantify the total market:

- Hard Surface Flooring Mfrs
- Modular Carpet Mfrs.
- Associations
- Government - US Census
- Trade Publications
- Carpet Mfrs.
- Stone Fabricators
- Trade Groups
- Forecasting Firms

Within each of the above, the most authoritative respondent will be contacted that may include Marketing and Product Managers, Marketing Directors and Vice Presidents as well as Sales Managers.

Part II To analyze 2014 flooring consumption by market segment, geographic region and new vs replacement purchases, a statistically valid sample of over 8,000 establishments will be drawn. From this sample, shown below, 1,890 detailed telephone interviews will be conducted to project purchases on an establishment and geographic basis. **Charter Subscribers will have the opportunity to participate in questionnaire design.**

Market Segment	Total	United States				Canada
		North East	South	Mid Central	West	
Interviews	1,890	420	420	420	420	210
Offices	270	60	60	60	60	30
Manufacturing	270	60	60	60	60	30
Retail Stores	270	60	60	60	60	30
Healthcare	270	60	60	60	60	30
Hospitality	270	60	60	60	60	30
Education	270	60	60	60	60	30
Gov't & Misc.	270	60	60	60	60	30
Transportation	270	60	60	60	60	30

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Capabilities & Qualifications

Ciprus Limited, LLC is a recognized leader in providing market research and consulting assistance to the Interior Finishes and Building Products Industries. Clients have ranged from leading producers of contract furnishings, interior building and design products, as well as decorative surface and raw materials producers.

The first North American Contract Flooring Market Study was conducted in 1991 followed by the second edition in 1996 the third in 2000 and the fourth in 2006. Subscribers to previous studies as well as proprietary flooring studies have included:

Partial List of Flooring Clients 1986 - 2013		
3M	Dow Chemical	Pergo
Allied Chemical	DuPont Canada	Premark
Alto U.S. Inc.	DuPont Flooring Systems	Proctor & Gamble
Altro Floors	Florida Tile	Propex
Amoco Fiber	Formica Flooring	SC Johnson
Amtico	Georgia Tech	Shaw Industries
Amtico International	Hartco	Solutia (Monsanto)
Armstrong World Ind	Celanese	Sweets
Azrock Industries	Interface Flor	Tandus
BASF	Lees Carpets	Tarkett
Bona	Mannington	TEC Specialty
Bruce Flooring	Mapei	Tennant
C & A	Milliken & Company	TOLI
CertainTeed	Mitsui Plastics	Triangle Pacific
Dal Tile	Nafco	Wilsonart
Diversey	Nora	Windsor Industries
Domco	Permagrain (Nydree)	Wools New Zealand

The Principals of Ciprus Limited, LLC are dedicated to providing the highest quality of in-depth market research and consultative information enabling our clients to make informed business decisions.

In addition, the firm's extensive past experience in successfully completing numerous studies in the flooring, and flooring maintenance research areas will be of great benefit to this undertaking as will be the firm's extensive background in working with all facets of the contract furnishings industry.

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Report Format

Due to the complexity and size of this research project, a significant amount of planning has gone into organizing the report format. Subscribers will find that the statistical charts and graphs will interrelate by chapter heading and will be cross referenced for easy access.

The significant findings of each individual chapter will be brought together in an executive summary section. Flooring surfaces and end-use applications will be treated separately by market segment and will be shown together in a separate chapter for easy reference. The PDF reports will contain approximately 1,000+ pages of text, charts, tables and other visual information.

The study is being offered to charter subscribers for \$24,000. The project will begin March 1st, 2014 and the reports will be issued during the 3rd quarter of 2014. The timing of the commencement and completion of the study is dependent upon receiving sufficient support for the study and upon receiving timely responses from subscribers to the start up package. A revised study timetable will be submitted to subscribers when the field work begins.

Charter Subscribers will have the ability to add topics or modify the research approach at no additional cost where it is believed beneficial to all parties.

Price, Terms & Delivery

Terms One-half of the total fee (\$12,000) must be made prior to September 1st and the balance upon receipt of the final report. The total price of \$24,000 includes consultation, after the final report is delivered, to review the findings.

Three (3) CD copies of the report will be included in PDF format as well as a download version.

After March 1st, 2014 the subscription cost will rise to \$26,000 and will not permit further subscriber study design input. The study cost will rise to \$28,000 when complete.