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## AWARD OF EXCELLENCE



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## State of the industry



The multi-width/wide-plank trend in hardwood is now featured in laminate. Pictured is Keystone Oak from Mannington.

## U.S., EUROPEAN LAMINATE RUN AHEAD OF FRAY

By Reginald Tucker

**T**he laminate category in 2015 was essentially a tale of two markets—imports from China were negatively affected by the fallout stemming from the Lumber Liquidators' formaldehyde fiasco, while U.S. and European manufacturers generally saw growth, in some cases by double digits in volume.

While the overall domestic laminate market was essentially flat in 2015 in sales, those U.S. producers who manufacture higher-end goods outperformed the competition. Complete coverage of the category begins on page 22.

## New Gilford-Johnson CEO maps out plans

By Ken Ryan

FLORENCE, IND.—Scott Roy said he always aspired to be president of a company, but when he was first approached by an executive search firm to run the newly merged Gilford-Johnson Flooring distributor (*FCNews*, Feb. 29/March 7), he was a bit skeptical. After all, he had a

high-level position at Haines, the industry's largest distributor, and he liked it there.

But it wasn't long before Roy seized what many would call a dream opportunity.

"Being president and CEO is one thing, but to join two companies that have the reputation that Gilford Flooring and Johnson Wholesale Flooring have—and to bring those companies together—that is what excites me the most," Roy told *FCNews* during the Gilford-Johnson spring event here. "These are two companies that are going places. This isn't a fixer-upper."

What was once two mid-sized distributors has morphed into a top 20 player with an esti-

## WFCA's Humphrey to join upcoming FCNews webinar

HICKSVILLE, N.Y.—World Floor Covering Association (WFCA) CEO Scott Humphrey will be the guest expert joining the *FCNews* Marketing Mastery webinar on April 21, speaking on the six pillars of success for today's competitive market.

"Heavy competition from box stores and online discounters present significant challenges for flooring retailers," said *FCNews* columnist Jim Armstrong, producer and co-host of the monthly webinars. "Dealers who don't have an aggressive plan to overcome these challenges will find their businesses increasingly at risk. I'm excited to have Scott as our guest to speak on the six pillars topic. It's a message retailers need to hear."

Some of the points Humphrey will address include:

- The results from the WFCA secret shopper research and what they mean for retailers.

- An affordable strategy retailers can use to get a competitive edge over the box stores.

- A simple step retailers can take to increase their market



Scott Humphrey



Jim Armstrong

advantages in their towns.

- How retailers can reduce their workloads and eliminate stress by using affordable tools formerly only available to box stores and other corporate giants.

There is no cost to attend the webinar. To register, visit [market.ingmasterywebinar.com/FCNews](http://market.ingmasterywebinar.com/FCNews). To join a future webinar as a guest expert, call Armstrong at 877.887.5791.

mated \$90 million in sales. Moreover, there is virtually no overlap in the two companies'



Scott Roy, president and CEO of Gilford-Johnson Flooring, addresses retailers prior to the group's awards banquet.

territories and product portfolio, and they both bring strengths to the table in the form of logistics and warehousing, strong vendor partners and well-respected sales teams.

"Scale in distribution is important because it allows you to expand," Roy explained. "This is a pure geographic expansion into two of the strongest areas in the country: the Southeast and Florida."

While at Haines, Roy started the Loyalty Club in 2005 and helped grow it into a successful incentive-laden program. Gilford has the Gilford Advantage Program (GAP), which will be expanded to include Johnson Wholesale retailers. "I believe in the loyalty retention program, and with the addition of the Southeast we can explode this thing," he said.

The task of fully integrating Gilford and Johnson is just now beginning. Roy plans to create

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# Congoleum: Revival refreshes top name in flooring

By Jenna Lippin

After taking a conservative approach to its operations for the better part of the last decade, Congoleum is back investing in the business as it looks to capitalize on one of the industry's venerable brands. It begins with style and design and continues with relevant product launches, including its first entry into the white-hot composite category.

Kurt Denman, who joined Congoleum as senior vice president of marketing in 2013, referred to recent changes as a "recommitment" to the brand, specifically design, quality and innovation—attributes that have been hallmarks of the resilient giant for 128 years. Now chief marketing officer and executive vice president of sales, Denman's mission is to maintain focus on "legacy products" such as DuraCeramic and AirStep, while answering the call to deliver new, relevant items to a market that has been evolving. And with that, the last three years have seen various phases of refreshment to not only product assortment but also brand image and messaging.

There are two key drivers behind this philosophical change. First is the configuration in the boardroom. The asbestos issue that caused American Biltrite to yield control of the company left it in the hands of a court-appointed trust with a board comprised primarily of lawyers. To say this group was risk adverse would be putting it mildly. But the trust is no longer in control and in 2014 majority share was taken over by two investor groups. As a result, the board is now comprised of business leaders with a private equity mentality. Finally free of the mindset of the former majority, which was ultimately concerned with "right-sizing" the business, these new influencers are seeking growth. Actually, their direction has set the stage for the future of Congoleum, specifically realizing efficiencies in the workforce and manufacturing.

"Efficiency in the past meant really big product runs, and that is no longer us," Denman said. "We are set up to be much more nimble; cylinder and machine changeover is faster and with less downtime. And by being

more efficient, we can carry less inventory and still deliver historically high service levels. All of which means we are financially positioned for meaningful growth."

The second driver is creating an engaging consumer experience starting with a product portfolio that makes sense in today's market. "We're making refinements to our entire offering based on a thorough under-

Buckley, vice president, product management. "There are opportunities to differentiate our product based on the design package as well. And although there have been many introductions in this category, we are confident that our construction addresses the 'kinks' that were inherent in products that were introduced by competitors."

One of the hallmarks of the Congoleum portfolio remains DuraCeramic, which differs from traditional

delivers dimensional stability allowing for varied installation options. "With fiberglass products you can only loose lay up to a certain number of square feet. AirStep has no limitations because it is so stable." In addition, AirStep's wear layer is a higher gauge than most sheet offerings, meaning it is more resistant to rips and tears. "And in terms of design, a typical fiberglass product won't be able to achieve AirStep's level of embossing because it combines

become leaders in that department," said Doug Betrand of Carpetland USA of Davenport, Iowa, which sells a large amount of AirStep and DuraCeramic. "There is viability in the brand. I think a lot of people think Congoleum as an actual flooring product, but either way the brand recognition is there. There is a fresh attitude from the company today. They are taking a more aggressive approach to marketing and putting out product instead of the wait-and-see approach they used to have. It is refreshing to see they've brought in [some new] designers. We continue to be happy to have them as a partner."

Mark Tollefson of Tollefson's Carpet Garage in Minot, N.D., expressed a similar sentiment. He agreed there is brand recognition with Congoleum that resonates with consumers. "People walk in asking for Congoleum when they are referring to the vinyl category."

Tollefson cited DuraCeramic as "a fabulous product" that has "evolved to keep up with trends. It seems like Congoleum is trying stay on the cutting edge of technology both on the production side and with installation options. The new products make installers' jobs easier. The finished product is very attractive."

And with new products come new displays and merchandisers. "The sheet and DuraCeramic displays are much more user friendly," Tollefson said.

Betrand added, "We are very happy about the retrofitting of the DuraCeramic rack [for line updates]; it works well with consumers and makes the purchase process much easier."

Distributors agree that Congoleum works to stay ahead of the game in the resilient arena. Haines and its CMH division, for example, have had a relationship with Congoleum for more than 25 years. Hoy Lanning, vice president of the CMH division, said when it comes to reliability, the manufacturer "nears the top of rankings... Congoleum is a well-rounded resilient supplier that is on the cutting edge of technology and fashion. It's only every so often that a product line revolutionizes the industry, and we saw this with the launch of DuraCeramic years ago; it remains an industry leader and is a great product for the CMH division of Haines."



Retailers laud Congoleum for updating displays to keep them consumer friendly.



DuraCeramic is one of Congoleum's hallmark products, dubbed more of a 'ceramic alternative' than traditional LVT.



Triversa is Congoleum's unique addition to the white-hot composite category.

standing of the specific market segment each product line is intended to serve. In the sheet offering, AirStep is targeted to homeowners at retail whereas the new ArmorCore line was created for the unique needs of the builder/multi-family market. With LVT we have reinvested in DuraCeramic by delivering industry leading design featured in a shopper-friendly in-store displays. Overall we are doubling down and going back to basics and essentially to our roots of design, quality and innovation."

But perhaps the best illustration of the changes at Congoleum is seen in this year's launch of Triversa, the company's answer to the WPC craze that it categorizes as "composite engineered flooring" as there is no wood in the product. The collection debuted as the premium option in its Timeless by Congoleum portfolio. It anticipates brand recognition giving Triversa a push in what has quickly become a very crowded marketplace.

"More consumers recognize Congoleum over many of the competitive brands," said Pat

LVT. "DuraCeramic is really a ceramic alternative," Denman said. "It can be grouted, so it creates a very convincing visual. It has a limestone base for stability, which you don't get from an imported LVT product. DuraCeramic is made in the USA, which means superior quality control as well."

The other renowned Congoleum offering is AirStep, offering features and benefits that differentiate itself in the sheet arena. According to Denman, what makes AirStep preferred over traditional fiberglass products is the combination of its back coating that

both chemical and mechanical [elements]."

In terms of design, Congoleum prides itself on standing out from the vinyl pack. "Our patterns are not pulled out of a library; they are uniquely designed for each product," Denman noted. "Designs run the

gamut from basic to sophisticated. We've weeded out the more dated designs because, let's face it, [vinyl] is a world that functions on imitation of natural things like wood and stone, so what changed over time is coloration and scale. Those are the characteristics that date designs."

In witnessing the company's evolution, retailers agree that style and design separate Congoleum's recent intros from other brands along with a name consumers recognize. "Their style and design stick out; for quite a while they were more behind in that area but they've really bridged the gap and have