

# FCW

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Millennial and Gen Z generations represent the largest consuming cohort in the market today. Read about their key purchasing drivers on page 4.

## The Consumer Issue



### Inflation Woes Slow Economy

FLOORING, HOUSING PURCHASES LIKELY TO FEEL EFFECTS

By Sharyn Bernard

Just as the world comes out of the two-year pandemic, record inflation and gas prices have put the brakes on what was a fast-growing economy. With everything from groceries to gas costing more, consumers are reconsidering where to spend their money — and increasingly, that doesn't seem to be on home projects and flooring products.

Danushka Nanayakkara-Skillington, assistant vice president of forecasting and analysis for the National Association of Home Builders (NAHB), said most experts expected inflation to peak in March, but now it is at the highest level it has been since 1981; in May it was 8.6 percent. "Think of inflation as three different components: food prices, energy prices and airfare. Everything has gone up," she said.

"Much of the [inflation issue] can be attributed to strong demand and

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# Supporting Sustainable Initiatives

When it comes to choosing new floors, the key priorities for consumers are consistently durability, style and price. However, as eco-conscious Millennials and Gen Z shoppers have become the largest group of purchasers, sustainability is creeping up the list of purchase drivers.

“These days, consumers are actively shopping green,” shared Malisa Maynard, vice president of sustainability, Mohawk. “Becoming a sustainable brand is no longer just about having a green product. Sustainability has evolved to include environmental, social and governance aspects as well.”

The desire for climate-conscious flooring products isn't limited to younger generations. Doug Jackson, CALI president, said he sees customers across all budgets and demographics placing more value on eco-friendly flooring options. “One of the number one features CALI customers like to call out in their online posts and reviews is product quality and sustainability,” he said. “It makes them feel good about their purchase to know (and share) that their floor or deck was made with their family's health and the environment in mind. Clean living and sustainable design are much more prevalent now and are swaying more major purchasing decisions.”

The full impact of having eco-conscious flooring products in the home is one of overall well-being, said Heidi Steele, founder of Surface Resources, a



**As sustainability becomes a more important purchase driver, it's important for retailers to offer climate-positive and eco-friendly flooring solutions, such as this tile from Cradle to Cradle-certified manufacturer Mosa, seen here in a private home designed by Lunet Architecten.**

firm dedicated to providing designers with sustainable, responsibly-crafted surfaces including climate-positive flooring materials. “From hypoallergenic traits to carbon reduction benefits, they offer overall peace of mind,” Steele said. “In general, I would say climate-positive products cause minimal to zero harm to the planet and may actually be improving the environment and indoor air quality.”

Jackson suggests that retailers create marketing messaging that positions the customer as the hero who can make a true positive impact through their buying decisions. “People won't

necessarily know the value of their flooring choices unless you tell them,” he said. “Help them understand and feel good that they're doing more than simply replacing old flooring; they're doing the responsible thing for their family and the planet.”

Steele pointed out that it's important for retailers to take the time to educate themselves on third-party labeling, in order to avoid being susceptible to “greenwashing” marketing campaigns that sound definitive. “Look to authentic, internationally-recognized eco labels and promotions on displays and cartons,” she said. “There are so

many options out there that are authentically labeled as climate positive materials, and I am hopeful that as demand for these floors continues to grow at the pace it is — which is unlike anything I've ever seen — that retailers will jump on board and start to promote the authentically certified, healthy, sustainable flooring options that are out there. Younger consumers are truly looking for these, only to turn to non-healthy flooring choices when retailers don't provide them with options.”

— Lauren Moore-Brennan

## Appealing

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into personalization and making their space special and different from their neighbors,” she said. These shoppers are embracing warmer color palettes, she added, especially those who are “too young to remember the bad shiny brass and honey/orange floors of the 80s.” These shoppers are embracing the blonde and warm gold tones that are rising in popularity, with combinations like warm wood cabinetry paired with white marble looks and earthy, natural materials in high demand. “Everlife LVT colors like Akadia, Bayhill Blonde, Runmille Isle and Sandino are great examples of the love of warm hues we are seeing. On the decorative side of our business, we are finding success in the Luxor Collection as well which has beautiful, brushed brass accents that this generation loves,” Holle added.

### HOW TO REACH THEM

To be sure, Millennials and Gen Zers are active online, but the internet is an enormous place. With review sites, social media platforms and message boards galore, it's important for retailers to know where this cohort is searching for their information — and how to get in front of them.

“Market the personalized experience the consumer gets by shopping at an independent retailer, along with the value of a professional installation — a DIY gone wrong is going to cost the consumer twice as much — combined with overall life cycle and other practical benefits of the product,” Ross suggested. “Big box stores can't guarantee one-on-one service and for most consumers who like to see their flooring in person before purchasing, e-commerce isn't a preferred option.”

Retailers can also promote their work and staff on social media to gain traction with these generations, she added.

“To really reach Millennials and

Gen Z, mobile optimization is key. Creating an engaging, interactive experience online and on social is really important for retailers. These generations' primary shopping experience is done on their phone, so having a robust digital media strategy is critical,” Priem said. “Ninety-seven percent of Gen Z learns about products through social media.” And as these shoppers are looking to social platforms for product discovery, which is influencing their purchasing decisions and triggering purchases both on- and offline, it's important for retailers to make connections in an authentic way. “In order to boost engagement and build loyalty, retailers are going to have to get personal. Both generations create deep connections with the brands they buy from, and they want to feel like valued individuals.”

However, it's important to walk the line between personalization and privacy. “The experience for them should be expected, but not creepy,”

Priem continued. “You want to go so far with data and put messages out there you want them to see, but not something so deep or in an area where it's very unexpected, or where they feel like they're being followed. It's an extremely fine line.”

And because authenticity is so valuable to this demographic, Priem stressed the importance of having a consistent voice across all platforms, from social media to email campaigns to your website. “This helps them build trust in a brand or retailer,” she said. “They have a nose for inauthenticity and can sniff it out quick.” She added that while younger generations get a bad rap for their short attention spans, she doesn't agree with that assessment. “Their attention spans aren't shorter, but they are able to make decisions much quicker than older generations,” she explained. “Within a second they can say ‘like,’ ‘don't like.’ So being authentic is incredibly important when the customer is able to make decisions that quickly.”