# Distribution of PARQUET FLOORING During 1969

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U.S.D.A. FOREST SERVICE RESEARCH PAPER NE-218
1972

NORTHEASTERN FOREST EXPERIMENT STATION, UPPER DARBY, PA.
FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE
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## FOREWORD

THIS IS THE THIRD IN A SERIES of papers dealing with the residential and commercial hardwood flooring industry. The first two paper are: PHYSICAL DISTRIBUTION OF OAK STRIP FLOORING IN 1969 (U.S.D.A. Forest Serv. Res. Paper NE-207) and DISTRIBUTION OF MAPLE STRIP FLOORING IN 1969. (U.S.D.A. Forest Serv. Res. Paper NE-215).


## The Author

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MANUSCRIPT RECEIVED FOR PUBLICATION 4 MARCH 1971.

# THE PARQUET INDUSTRY

KNOWLEDGE OF TRENDS AND WORKINGS of the industry is important to success in almost any business and the parquet flooring business is no exception. So we sent a questionnaire to all producers of hardwood parquet flooring in the U.S. to find out where and how much flooring is produced, where producers sell their product, and how producers approach merchandising and advertising.

## DATA COLLECTION

### Survey Procedure

The questionnaire was mailed to all manufacturers of residential or commercial hardwood flooring on 27 January 1970, and two follow-up mailings were made at 3-week intervals to nonrespondents. Finally a follow-up telephone survey was made to contact those who did not respond to the mailings. The following response was obtained:

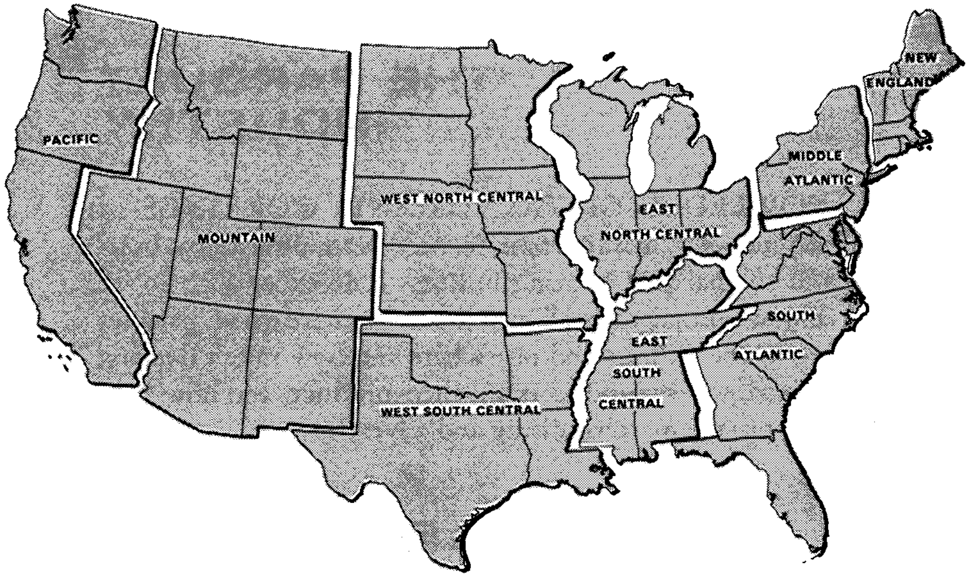
| *No. of firms* | *Response* |
|---|---|
| 9 | Completed and returned the questionnaire. |
| 3 | Completed a part of the questionnaire. |
| 1 | Either was not in business or did not manufacture parquet flooring. |
| 3 | Provided no data. |
| 16 | TOTAL contacted. |

### Definition of Terms

*Geographic Regions.*—The nine regions used are those established by the Bureau of Census (fig. 1).

*Production Region.*—A production region is the region in which the flooring was manufactured and from which it was shipped.

Figure 1.—Composition of regions and geographic divisions.




*Channels of Distribution.*—Six channels are recognized as follows: 1. Builders, 2. Flooring subcontractors, 3. Retailers, 4. Wholesalers, 5. Nonstocking wholesalers, 6. Agents and brokers.

# ADJUSTMENTS AND ASSUMPTIONS

Data were obtained on shipments by manufacturers of 22,213,900 square feet of hardwood parquet flooring. The parquet flooring data collected included hardwood unit block and mosaic parquet block floorings; it did not include hardwood laminated block flooring.

There are no formal statistical data on parquet flooring; however, the author, in consultation with industry sources, estimated the total U. S. parquet flooring shipments to be 27,200,000 square feet during 1969. Based on this, the sample represents about 82 percent of the total. About 1,440,000 square feet[1] of parquet flooring imported into the U.S. during 1969 were not included.

The data are based on manufacturers' records of flooring shipments through the first transaction in the distribution process.

# DISTRIBUTION

About 95 percent of the parquet flooring is oak, and most is produced in Tennessee, Arkansas, and Missouri. Due to the limited number of manufacturers within any one geographic region, the shipment data were combined for all manufacturers to avoid confidential disclosure of data on individual firms (fig. 2).

[1] U.S. Department of Commerce. U.S. IMPORTS FOR CONSUMPTION AND GENERAL IMPORTS TSUSA, 1969. Annual. Washington, D. C., Foreign Trade Division, Bureau of Census, p. 69, 1970.

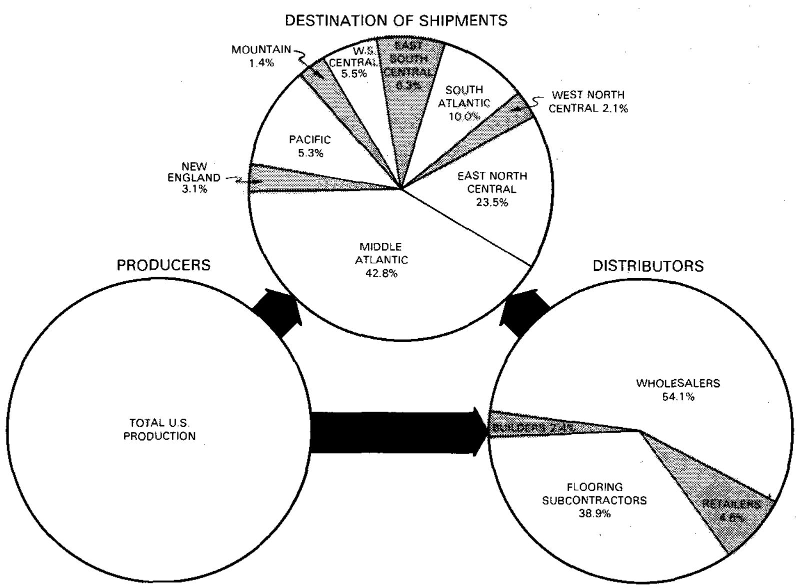



**Figure 2.—Producers, distributors, and destination of shipments of parquet flooring during 1969.**

## Channels of Distribution

The distribution channels are often categorized into two groups: a distributor group comprised of builders, flooring subcontractors, retailers, and wholesalers who buy the flooring from the manufacturer and take title to it; and an intermediary group comprised of nonstocking wholesalers, and agents and brokers who act as marketing intermediaries and do not take title to the flooring. No parquet flooring was distributed by the intermediary group. Instead, all of the parquet flooring was distributed by the distributor group. Wholesalers distributed about 54 percent; flooring subcontractors, 39 percent; retailers, 5 percent; and builders, 2 percent (fig. 2 and table 1).

*Wholesalers.*—Of the 54.1 percent (12,012,400 sq. ft.) distributed by wholesalers, about 38 percent was shipped to the Middle Atlantic Region, 22 percent to the East North Central Region, 9 percent to each of the South Atlantic and Pacific Regions, 7 percent to the East South Central Region, 5 percent to each of the New England and West South Central Regions, and 2 percent to each of the West North Central and Mountain Regions.

*Flooring subcontractors.*—Of the 38.9 percent (8,634,800 sq. ft.) distributed through flooring subcontractors, 52 percent went to the Middle Atlantic Region, 26 percent to the East North Central Region, 12 percent to the South Atlantic Region, 6 percent to the West South Central Region, 1.9 percent to the West North Central Region, 1.6 percent to the East South Central Region, and less than 1 percent to each of the New England, Mountain, and Pacific Regions.

*Retailers.*—Of the 4.6 percent (1,023,400 sq. ft.) distributed by retailers, 29 percent went to the East South Central Region, 21 percent to the Middle Atlantic Region, 19 percent to the East North Central Region, 11 percent to the Mountain Region, 6 percent to the Pacific Region, 5 percent to each of the West North Central and South Atlantic Regions, 4 percent to the West South Central Region, and none to the New England Region.

## Table 1.—Where distributors shipped their parquet flooring by geographic region, 1969[1]

| Distributor | New England | Middle Atlantic | East North Central | West North Central | South Atlantic | East South Central | West South Central | Mountain | Pacific | Total | Distribution total | U.S. total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | % | % | % | % | % | % | % | % | % | % | *M sq. ft.* | % |
| Builders | 0 | 38.7 | 19.0 | 0 | 9.5 | 27.2 | 5.6 | 0 | 0 | 100.0 | 543.3 | 2.4 |
| Flooring subcontractors | .6 | 52.0 | 26.4 | 1.9 | 11.5 | 1.6 | 5.7 | * | .3 | 100.0 | 8,634.8 | 38.9 |
| Retailers | 0 | 20.6 | 19.0 | 5.0 | 5.0 | 29.1 | 3.8 | 11.3 | 6.2 | 100.0 | 1,023.4 | 4.6 |
| Wholesalers | 5.4 | 38.3 | 22.1 | 2.1 | 9.3 | 6.8 | 5.4 | 1.5 | 9.1 | 100.0 | 12,012.4 | 54.1 |
| Nonstocking wholesalers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Agents & brokers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total U. S. | 3.1 | 42.8 | 23.5 | 2.1 | 10.0 | 6.3 | 5.5 | 1.4 | 5.3 | 100.0 | 22,213.9 | 100.0 |

[1] The parquet flooring data collected included hardwood unit block and mosiac parquet block floorings; it did not include hardwood laminated block flooring.

* Percentage figure is less than 0.05.

*Builders.*—Of the 2.4 percent (543,300 sq. ft.) distributed by builders, about 39 percent was distributed to the Middle Atlantic Region, 27 percent to the East South Central Region, 19 percent to the East North Central Region, 9 percent to the South Atlantic Region, 6 percent to the West South Central Region, and none to the New England, West North Central, Mountain, and Pacific Regions.

## Destination of Shipments

About 86 percent of the total parquet flooring shipments went to the regions east of the Mississippi River (fig. 2 and table 2). About 43 percent (9,507,500 sq. ft.) was shipped to the Middle Atlantic Region, 24 percent to the East North Central Region, 10 percent to the South Atlantic Region, 6 percent to each of the East South Central and West South Central Regions, 5 percent to the Pacific Region, 3 percent to the New England Region, 2 percent to the West North Central, and 1 percent to the Mountain Region.

*New England.*—Of the 3.1 percent (688,600 sq. ft.) shipped to the New England Region, 93 percent was distributed by wholesalers and 7 percent by flooring subcontractors.

*Middle Atlantic.*—Of the 42.8 percent (9,507,500 sq. ft.) shipped to the Middle Atlantic Region, wholesalers distributed about 48 percent; flooring subcontractors, 47 percent; and builders and retailers, each 2 percent.

*East North Central.*—Of the 23.5 percent (5,220,300 sq. ft.) shipped to the East North Central Region, wholesalers distributed about 51 percent; flooring subcontractors, 43 percent; retailers, 4 percent; and builders, 2 percent.

*West North Central.*—Of the 2.1 percent (466,500 sq. ft.) shipped to the West North Central Region, wholesalers distributed about 53 percent; flooring subcontractors, 36 percent; and retailers, 11 percent.

*South Atlantic.*—Of the 10.0 percent (2,221,400 sq. ft.) shipped to the South Atlantic Region, wholesalers distributed about 50 percent; flooring subcontractors, 45 percent; and builders and retailers, each 2.3 percent.

Table 2.—Geographic shipment destinations of parquet flooring by distributor, 1969[1]

| Shipment destination by geographic region | Builders | Flooring sub-contractors | Retailers | Wholesalers | Nonstocking wholesalers | Agents & brokers | Total | Regional shipment total | Percent of U.S. total |
|---|---|---|---|---|---|---|---|---|---|
| | % | % | % | % | % | % | % | *M sq. ft.* | % |
| New England | 0 | 7.4 | 0 | 92.6 | 0 | 0 | 100.0 | 688.6 | 3.1 |
| Middle Atlantic | 2.2 | 47.2 | 2.2 | 48.4 | 0 | 0 | 100.0 | 9,507.5 | 42.8 |
| East North Central | 2.0 | 43.5 | 3.7 | 50.8 | 0 | 0 | 100.0 | 5,220.3 | 23.5 |
| West North Central | 0 | 36.0 | 11.0 | 53.0 | 0 | 0 | 100.0 | 466.5 | 2.1 |
| South Atlantic | 2.3 | 45.0 | 2.3 | 50.4 | 0 | 0 | 100.0 | 2,221.4 | 10.0 |
| East South Central | 10.5 | 10.1 | 21.2 | 58.2 | 0 | 0 | 100.0 | 1,399.5 | 6.3 |
| West South Central | 2.5 | 40.5 | 3.2 | 53.8 | 0 | 0 | 100.0 | 1,221.8 | 5.5 |
| Mountain | 0 | .7 | 38.3 | 61.0 | 0 | 0 | 100.0 | 311.0 | 1.4 |
| Pacific | 0 | 2.2 | 5.4 | 92.4 | 0 | 0 | 100.0 | 1,177.3 | 5.3 |
| Total U.S. | 2.4 | 38.9 | 4.6 | 54.1 | 0 | 0 | 100.0 | 22,213.9 | 100.0 |

[1] The parquet flooring data collected included hardwood unit block and mosaic parquet block floorings; it did not include hardwood laminated block flooring.

*East South Central.*—Of the 6.3 percent (1,399,500 sq. ft.) shipped to the East South Central Region, wholesalers distributed about 58 percent; retailers, 21 percent; builders, 11 percent; and flooring subcontractors, 10 percent.

*West South Central.*—Of the 5.5 percent (1,221,800 sq. ft.) shipped to the West South Central Region, wholesalers distributed about 54 percent; flooring subcontractors, 40 percent; and builders and retailers, each 3 percent.

*Mountain.*—Of the 1.4 percent (311,000 sq. ft.) shipped to the Mountain Region, wholesalers distributed 61 percent; retailers, 38 percent; and flooring subcontractors, 1 percent.

*Pacific.* —Of the 5.3 percent (1,177,300 sq. ft.) shipped to the Pacific Region, wholesalers distributed about 92 percent; retailers, 5.4 percent; flooring subcontractors, 2.2 percent; and builders, none.

## Patterns of Distribution

Three questions pertaining to past and expected changes in the patterns of distribution were asked of manufacturers. First: Has the geographic distribution of shipments changed since 1960? Four manufacturers reported moderate changes in the geographic distribution of their shipments; two reported considerable change; and one reported no change. The changes were mainly increases in shipments to regions east of the Mississippi River and decreases to regions west of the Mississippi River.

The second question was: Have the channels of distribution changed since 1960? Five of the nine manufacturers indicated moderate changes; and four reported no change. Changes were mainly a transfer from retail yards to flooring subcontractors because of a lack of attention given to parquet flooring by retailers and because of more direct sales to speciality flooring distributors, larger purchasers, and mobile home manufacturers.

The third question was: Compared to 1969, what changes in the distribution system are expected by 1975? Five manufacturers expect moderate changes by 1975; and four expect no change. Manufacturers expect to channel more flooring through the distributors who have the ability to provide both professional supervision and counseling to the consumers. They also expect an increase in direct sales to modular or unitized home builders, mobile home manufacturers, builders, flooring subcontractors, and larger purchasers.

## PROMOTIONAL PRACTICES

Four questions pertaining to advertising were asked of manufacturers. First, what media were used? The nine manufacturers that responded used several media: eight advertised through brochures and pamphlets; seven advertised in trade papers, magazines and journals; six advertised in trade directories; four advertised in the telephone directory; four advertised in other media such as trade and home shows, Sweet's Catalog, and through direct contact; three advertised in consumer magazines; two advertised in regular newspapers; and one did not advertise.

The second question was: Which media was the most effective? Five manufacturers considered brochures and pamphlets the most effective because they give more complete consumer information and reach the people who make the buying decisions; one considered the trade papers, magazines, and journals most effective; one considered consumer magazines most effective; and one considered other media such as direct personal contact most effective.

The third question was: Which media was least effective? Three considered telephone directories to be least effective because the market coverage is too limited; two considered trade directories least effective; and one considered regular newspapers least effective.

The fourth question was: Do you advertise cooperatively with the distributors? Six of the nine manufacturers reponded, and all of those advertised cooperatively with the distributors.

# DISCUSSION AND SUMMARY

Essentially all of the parquet flooring is produced in the Southern and Appalachian hardwood areas of the United States. The Middle Atlantic, East North Central, and South Atlantic Regions were first, second, and third, respectively, in total shipments; and the Mountain Region was last.

The channels of distribution are dominated by wholesalers and flooring subcontractors; however, wholesalers are stronger in the New England, East South Central, Mountain, and Pacific Regions; and wholesalers and flooring subcontractors are about equal in the Middle Atlantic, East North Central, and South Atlantic Regions.

When queried about the usage of different types of advertising media, parquet manufacturers indicated they used (in decreasing order) brochures and pamphlets, trade magazines, trade journals, trade publications, trade directories, and exhibits at trade and home shows. Manufacturers considered these advertising media to be the most effective because they give considerable consumer information and reach the right people—the people who make the buying decisions. Manufacturers considered both telephone directories and trade directories to be the least effective media because they are too localized and are not used enough by consumers.

Most parquet manufacturers reported that they use cooperative advertising with their distributors.

According to most parquet manufacturers, the geographic market area and channels of distribution for parquet flooring have changed since 1960 and are expected to change even more by 1975. From 1960 to 1969, increases in shipments to regions east of the Mississippi River and decreases in shipments to regions west of the Mississippi River accounted for most of the geographic distribution changes.

Parquet manufacturers reported that from 1960 to 1969, distribution shifted from retail lumber yards to flooring subcontractors because flooring subcontractors provide better consumer service. Manufacturers also reported more direct sales to speciality flooring distributors, larger purchasers, mobile home manufacturers, and builders of modular or unitized units.

By 1975, manufacturers expect to channel a greater proportion of the flooring through the distributors who have both the expertise and the facilities to offer consumers a complete floor system.

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☆U.S. GOVERNMENT PRINTING OFFICE: 1972-706-778/261

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