

Bedding Industry Survey Analysis

Prepared for Leggett & Platt, Inc.

In this report, Hanover Research analyzes the results of a survey administered to retail salesmen in the mattress industry.

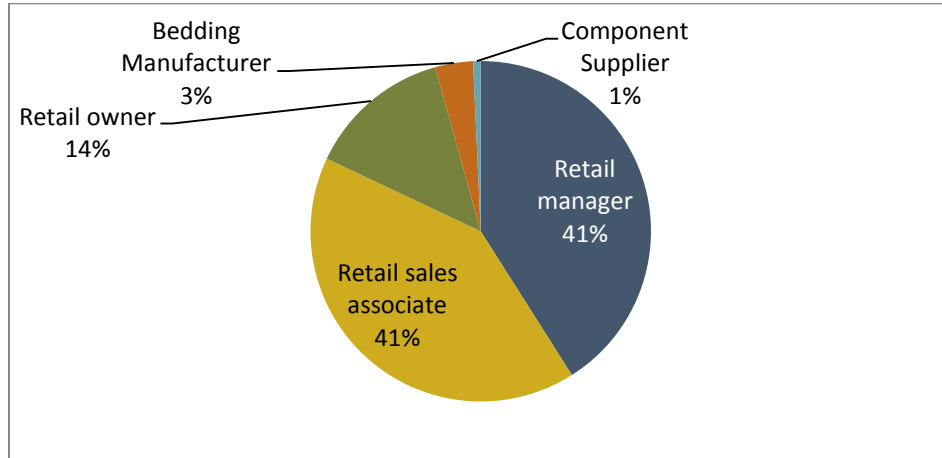
Introduction

In April – May 2012, Hanover Research conducted a survey of retail salesmen in the mattress industry. A total of 139 respondents were surveyed, across 72 stores. The most common stores that the respondents worked in were Mattress Firm (24 respondents), and Ashley Furniture (12 respondents). Most respondents in this survey were either a retail store manager or a retail sales associate (RSA). The respondents were majority male, Caucasian, and most of them have gone to college at least for some time.

Analysis: Survey Charts

Figure 1: Role in the bedding industry (n=139)

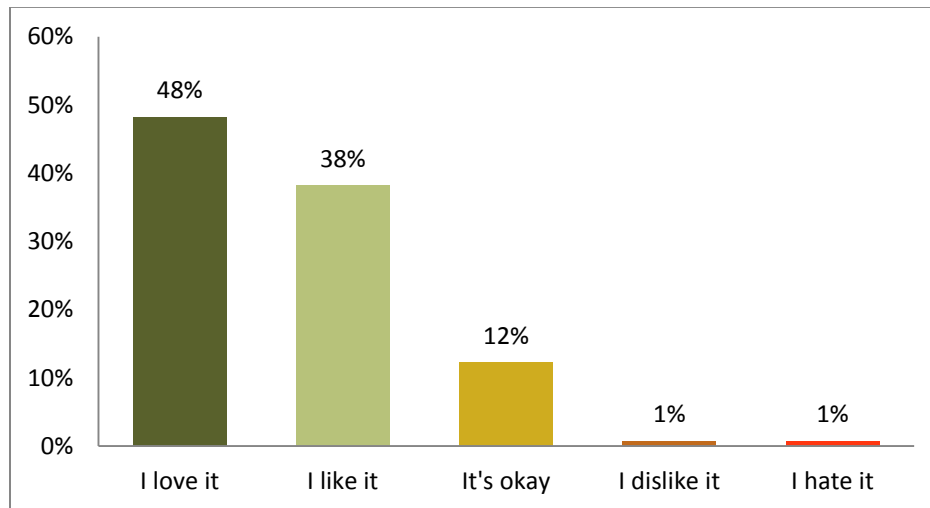
Survey Question: What is your role in the bedding industry?



- Most respondents in this survey are either a retail store manager or a retail sales associate.

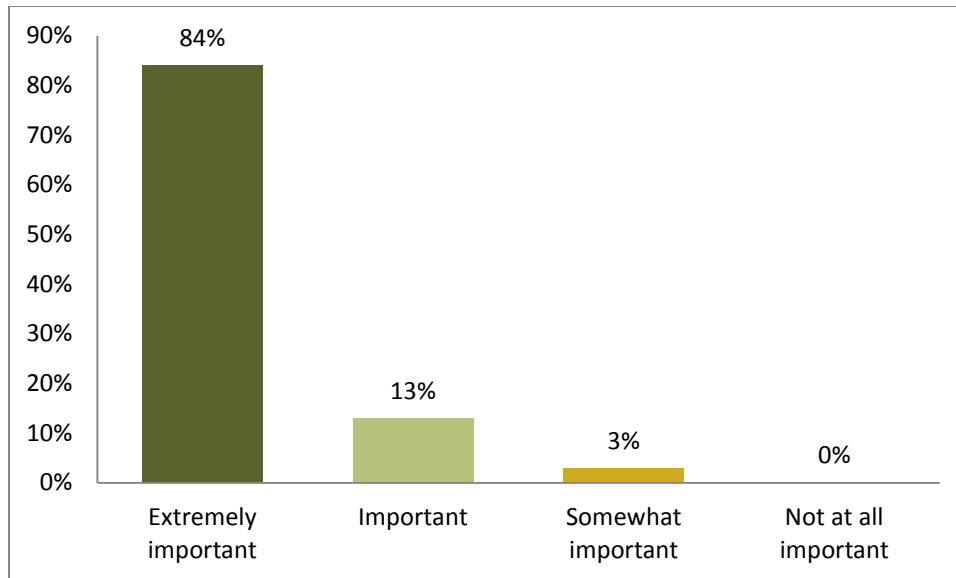
Figure 2: Opinion of the bedding industry (n=139)

Survey Question: What is your overall opinion of the bedding industry?



- 86% of respondents have a positive opinion of the bedding industry (either love or like it).
- Very few respondents (2%) dislike or hate the industry.

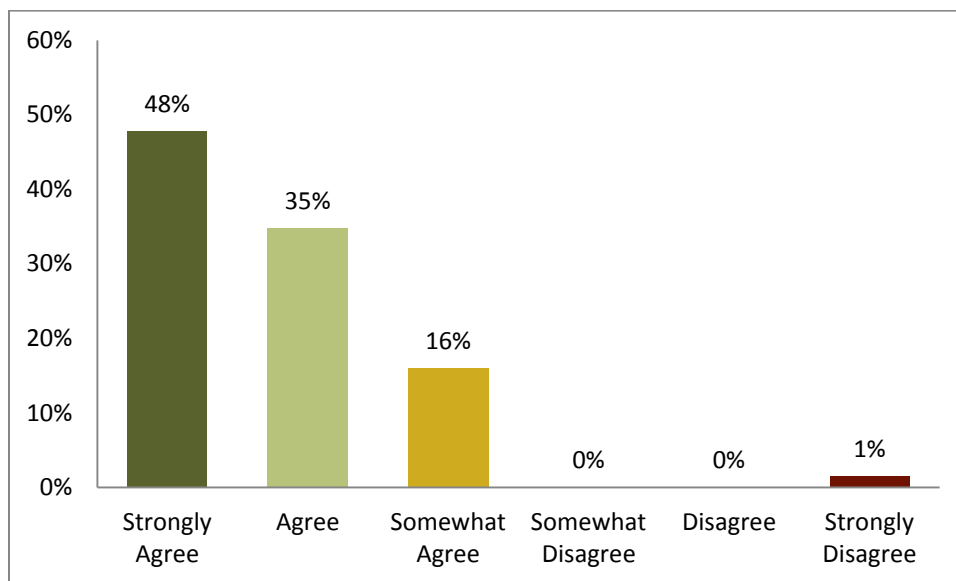
Figure 3: Importance of components in building mattresses (n=138)
Survey Question: In your opinion, how important are the components used to build mattresses?



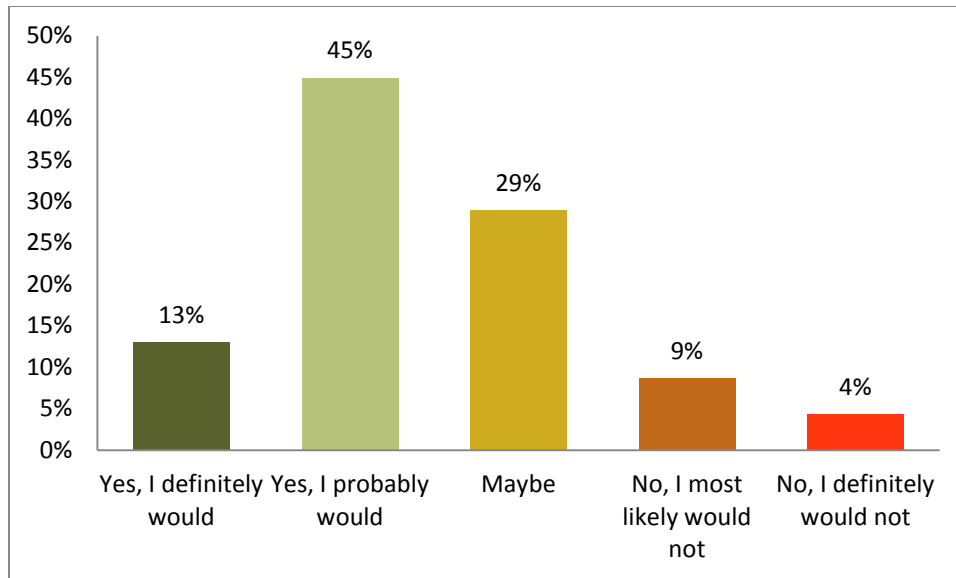
- Most respondents believe that the components used to build a mattress are extremely important.

Figure 4: Have enough information to speak about the components of a mattress (n=138)

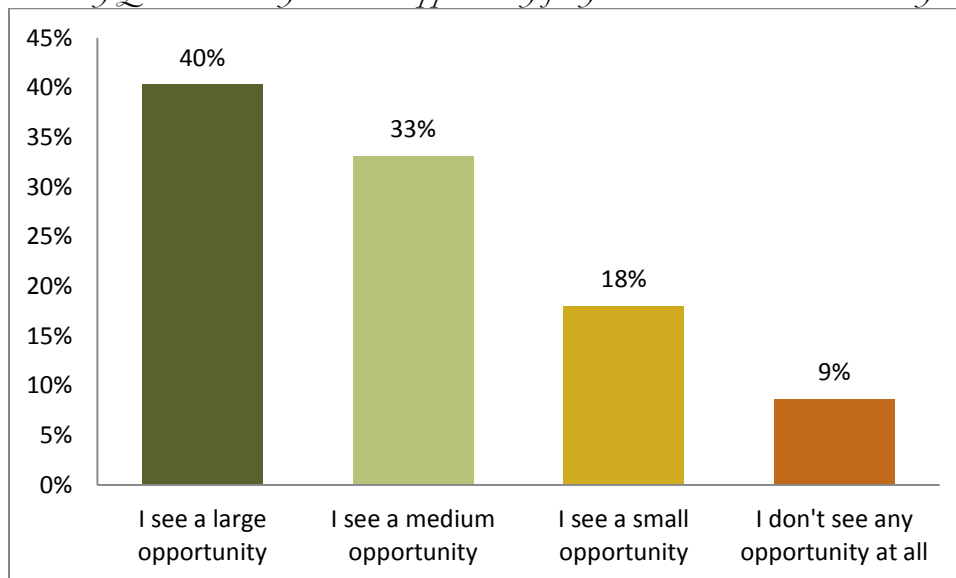
Survey Question: To what extent do you agree that you have enough information to speak intelligently about the components in the mattresses you sell?



- Nearly half the respondents strongly agree that they have enough information to speak intelligently about the components of a mattress.

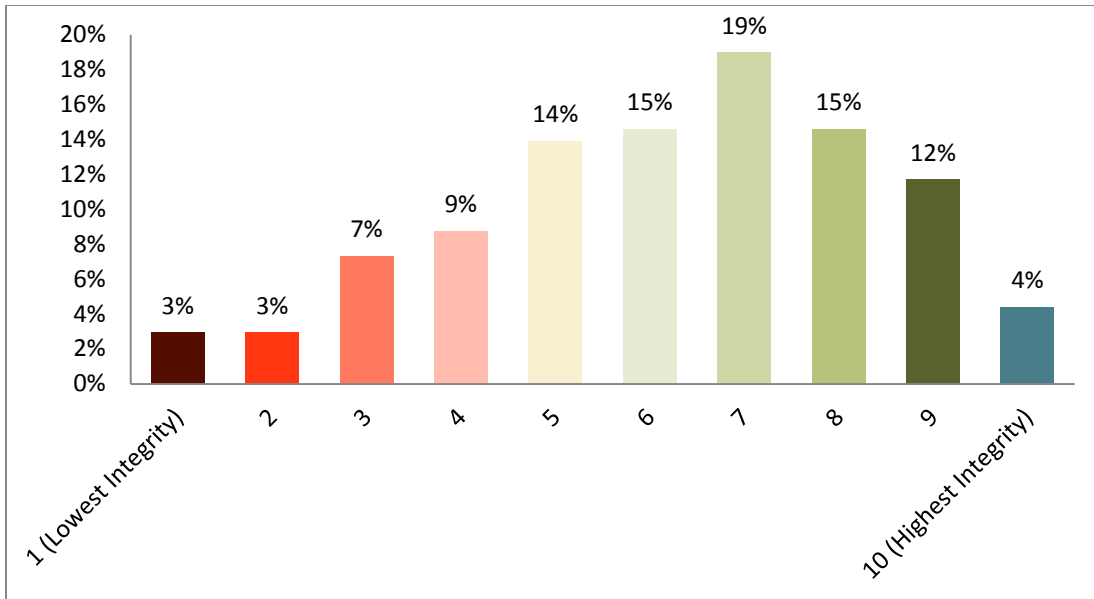
Figure 5: Encourage friends to enter industry (n=138)*Survey Question: Would you encourage your friends to get in the industry?*

- A majority of respondents said that they would either definitely or probably encourage their friends to join this industry.

Figure 6: Advancement opportunities in this industry (n=139)*Survey Question: Do you see an opportunity for you to advance in this industry?*

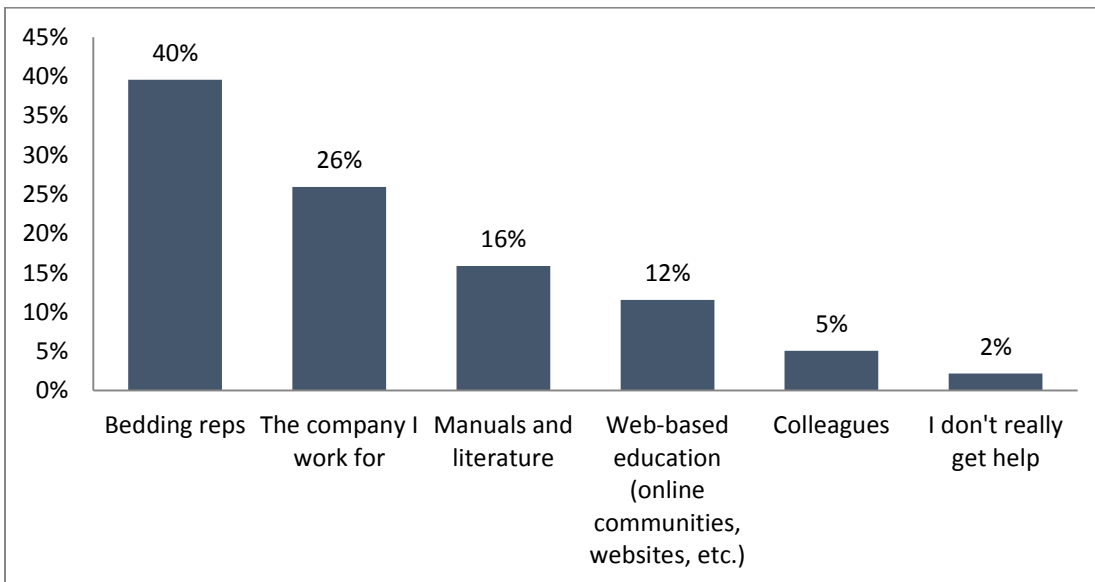
- While most respondents see opportunities to advance in this industry, nearly a third (28%) either see a small opportunity or don't see any opportunity to advance.

Figure 7: Rate the overall integrity of the bedding industry (n=139)
Survey Question: On a scale of 1 to 10, how would you rate the overall integrity of the bedding industry?



- On average the respondents rated the integrity of the industry at 6.21 on a scale of 1 to 10, with 10 being the highest.

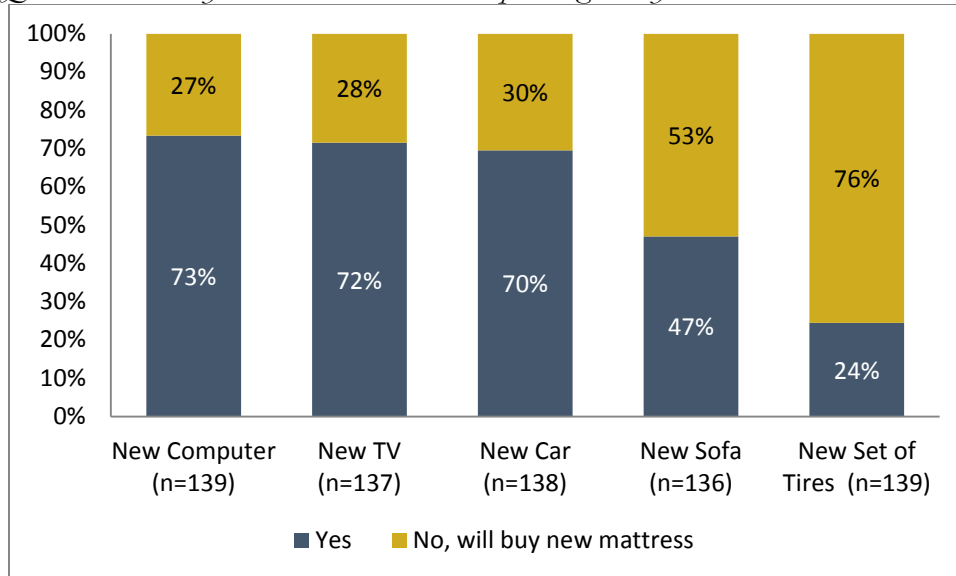
Figure 8: Source of industry education (n=139)
Survey Question: Where do you get most of your bedding industry education?



- The largest sources of information are the bedding representatives and the company employing the respondents.

Figure 9: Comparison of alternative purchase options compared to a new mattress.

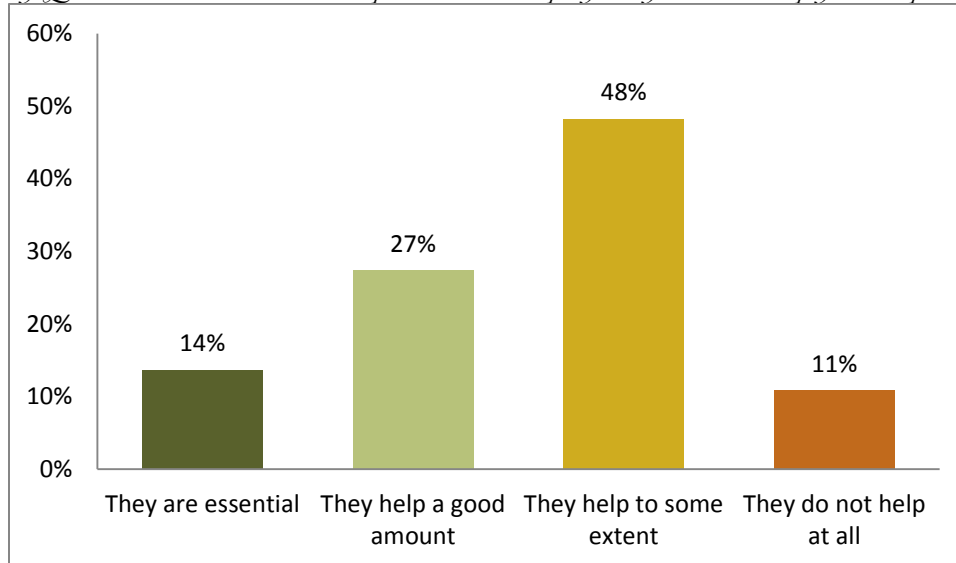
Survey Question: Would your customers rather be spending money on this item than a new mattress?



- Most representatives believe that their customers would rather be spending their money on a new computer, a new TV or a new car.
- A large majority of representatives do agree that their customers would rather buy a new mattress than buy a new set of tires for their car.

Figure 10: Usefulness of brochures, posters and displays (n=139)

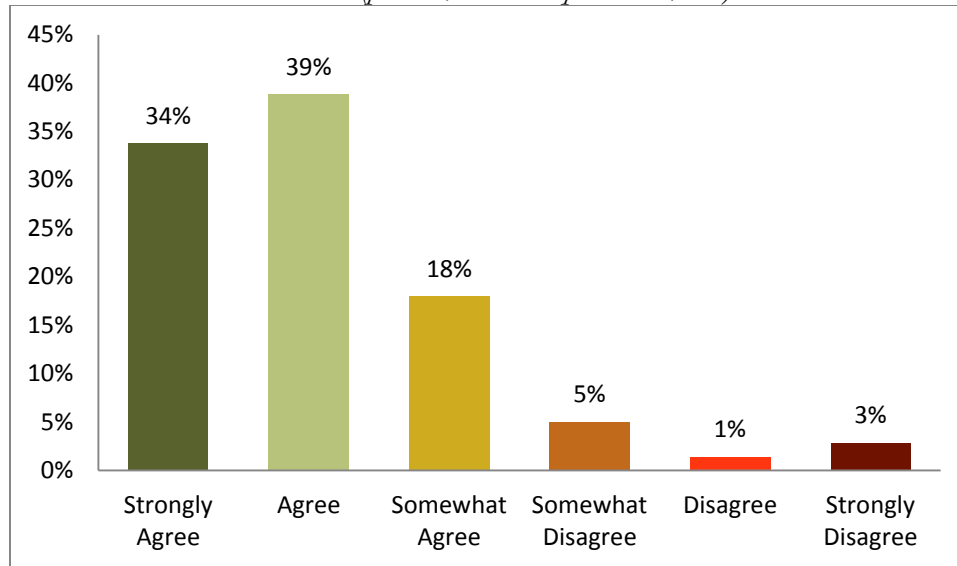
Survey Question: Do the brochures, posters, and displays in your store help you sell products?



- Very few representatives think these materials are essential, though, most representatives agree that they help to some extent.

Figure 11: Does the representative's store offer a strong selection of accessories? (n=139)

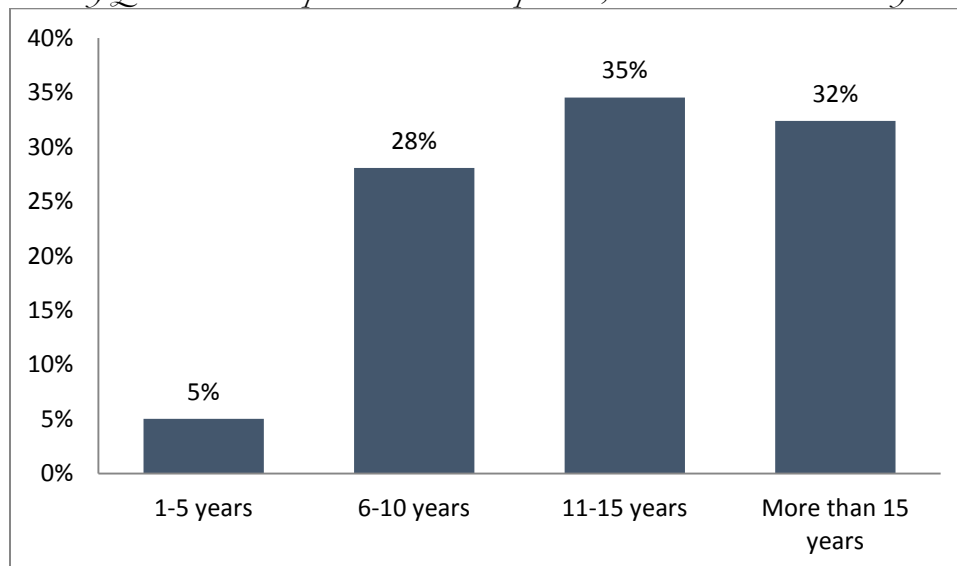
Survey Question: To what extent do you agree that your store offers a strong selection of bedding accessories (pillows, mattress protectors, etc.)?



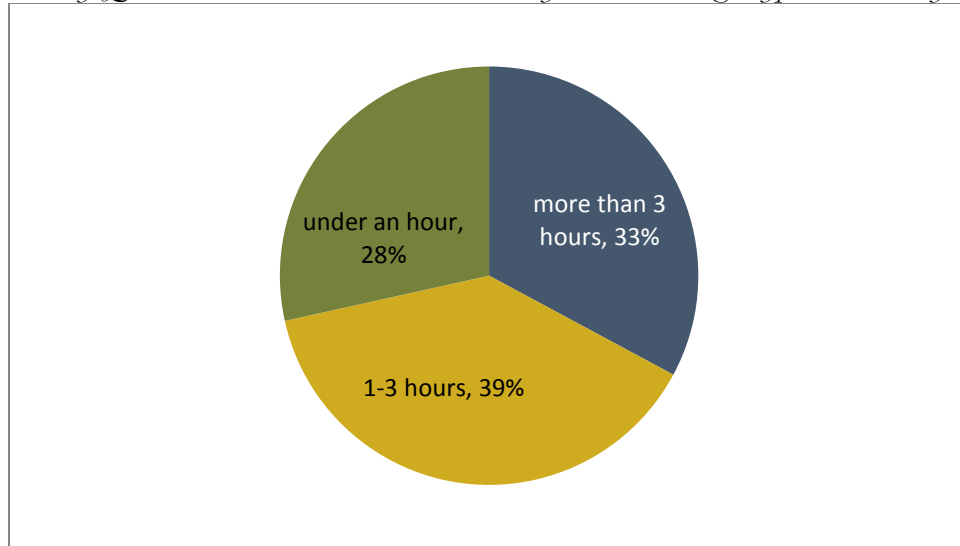
- 73% of the respondents agree or strongly agree that their store offers a strong selection of accessories.

Figure 12: Ideal warranty for premium mattresses (n=139)

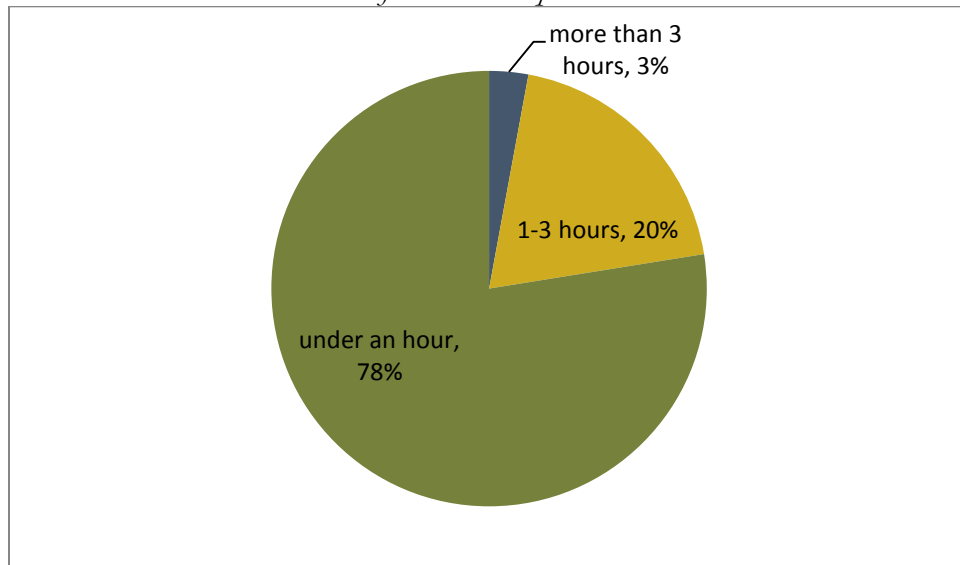
Survey Question: For a premium mattress product, what should the warranty be?



- Two thirds (67%) of the respondents think that the ideal warranty for a premium mattress should be more than 10 years.

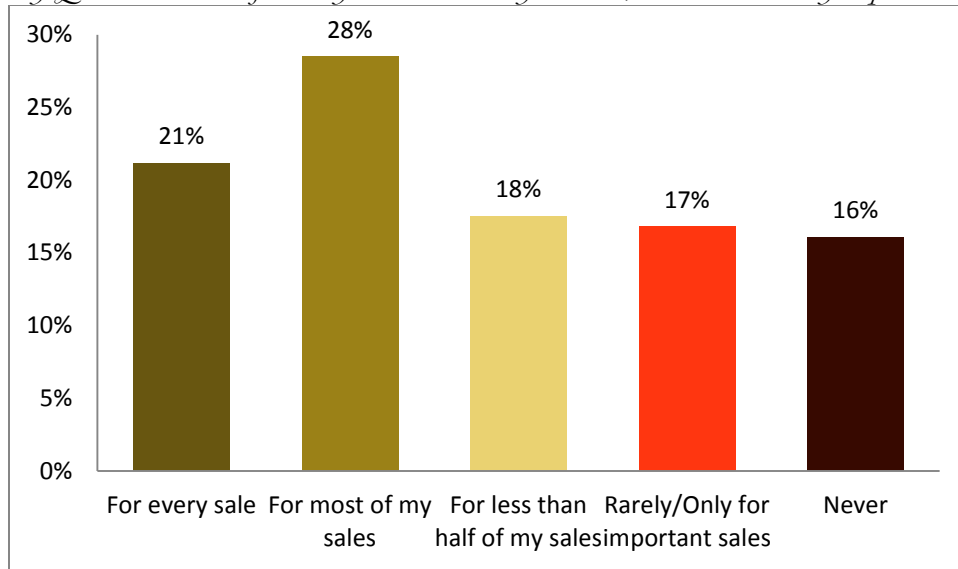
Figure 13: Down time on a typical day (n=137)*Survey Question: How much "down time" do you have during a typical work day?*

- There was a wide range of how busy the respondents were in a given day. A third had more than 3 hours of down time, while an equal number (28%) had less than an hour of down time during a typical day.

Figure 14: Time spent selling products over the phone (n=138)*Survey Question: How much time do you spend each day selling your products to potential customer referrals on the phone?*

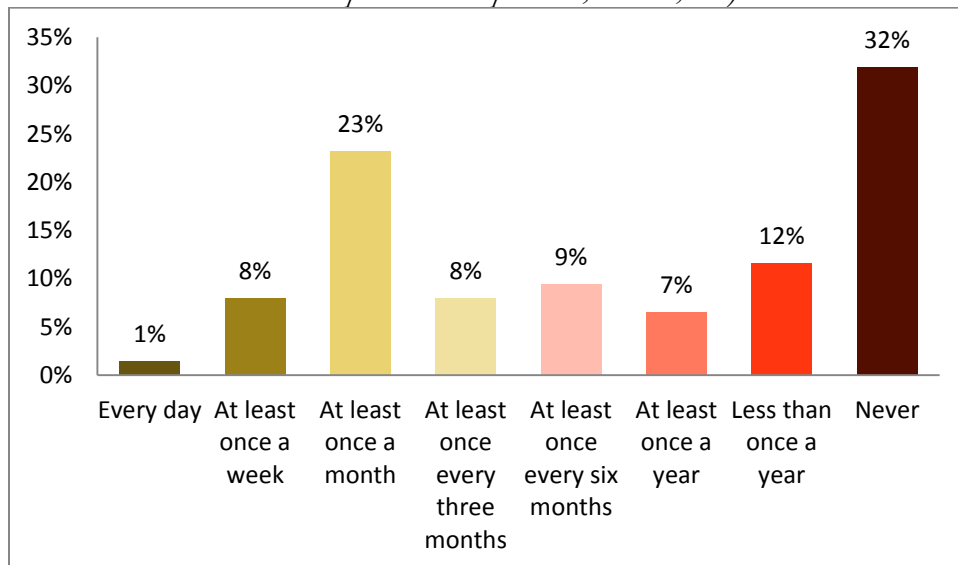
- Most respondents spend less than 1 hour selling products over the phone to potential customers.
- Very few respondents (3%) spend more than 3 hours on the phone per day.

Figure 15: Propensity to make thank you phone calls or notes (n=137)
Survey Question: How often do you send thank you notes, or make thank you phone calls?



- 50% of the respondents say that they send a follow up thank you note or phone call either after every sale or after most sales.
- However, 33% of the respondents rarely or never send a follow up note.

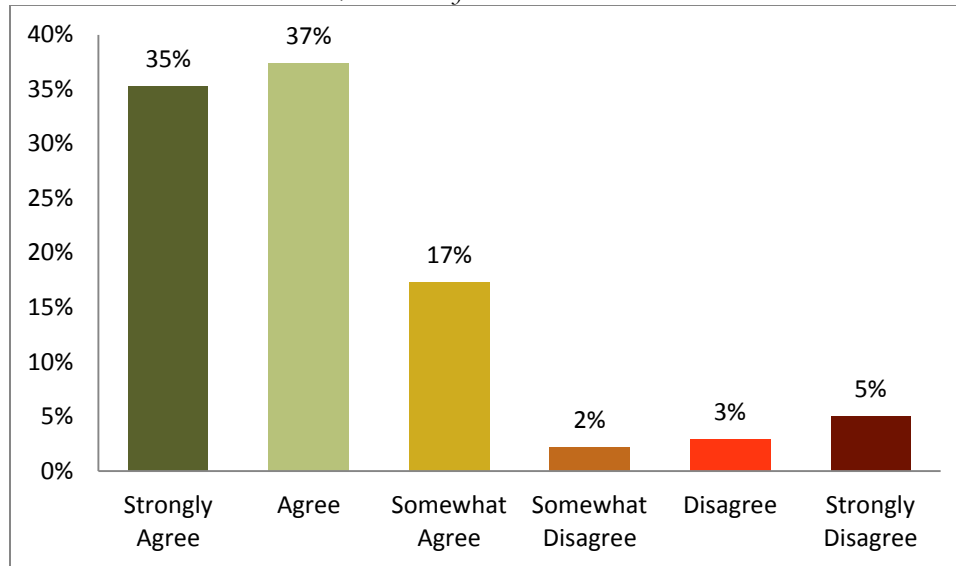
Figure 16: Propensity of conducting “drive the business” efforts
Survey Question: How often are you conducting outbound, "drive the business" type efforts (building relationships with chiropractors, doctors, etc.)?



- The largest plurality of respondents (32%) never spends any time conducting “drive the business” efforts.

Figure 17: Does respondent's store do a good job at convincing customers why they should shop at their store? (n=139).

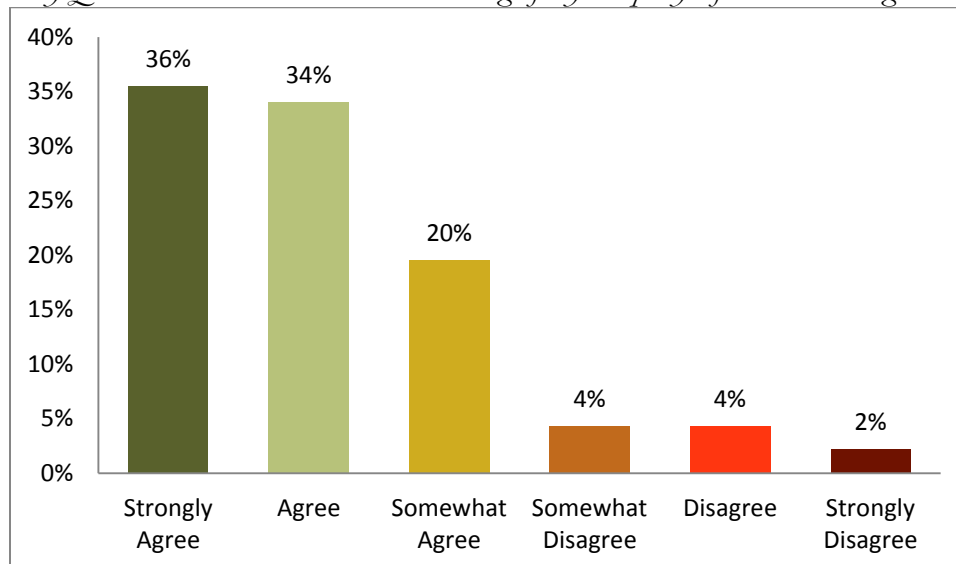
Survey Question: I believe my store does a good job of convincing customers why they should shop at it, instead of at another store.



- 73% of respondents either agree or strongly agree that their store does a good job in of convincing customers why they should shop there, instead of at another store.

Figure 18: Understanding of the company's forward looking strategy (n=138)

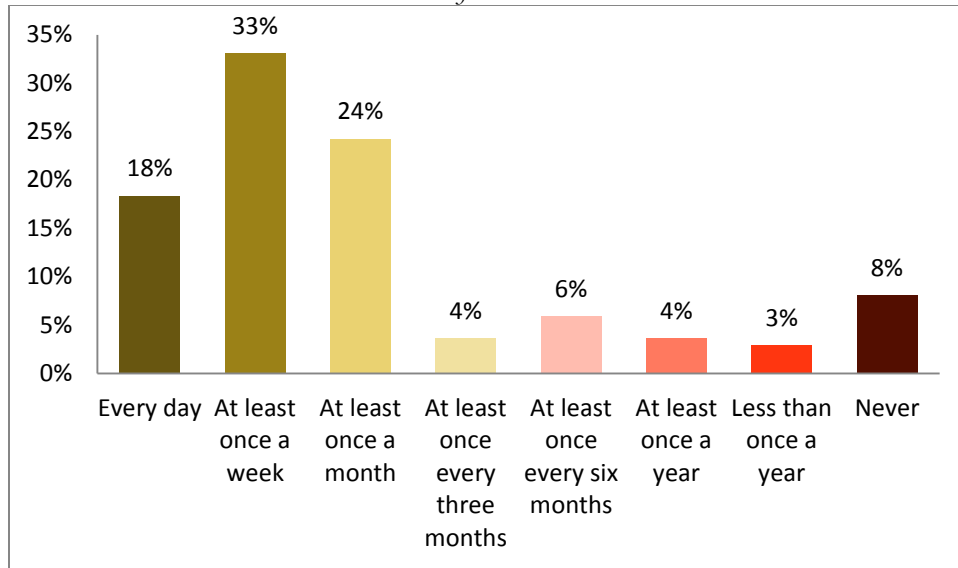
Survey Question: I have a clear understanding of my company's forward-looking strategy.



- 70% of respondents either agree or strongly agree that they have a clear understanding of the company's forward looking strategy.
- Only 6% disagree or strongly disagree that they have a clear understanding of the company's forward looking strategy.

Figure 19: Frequency with which boss meets with respondents to learn customers' feedback (n=136)

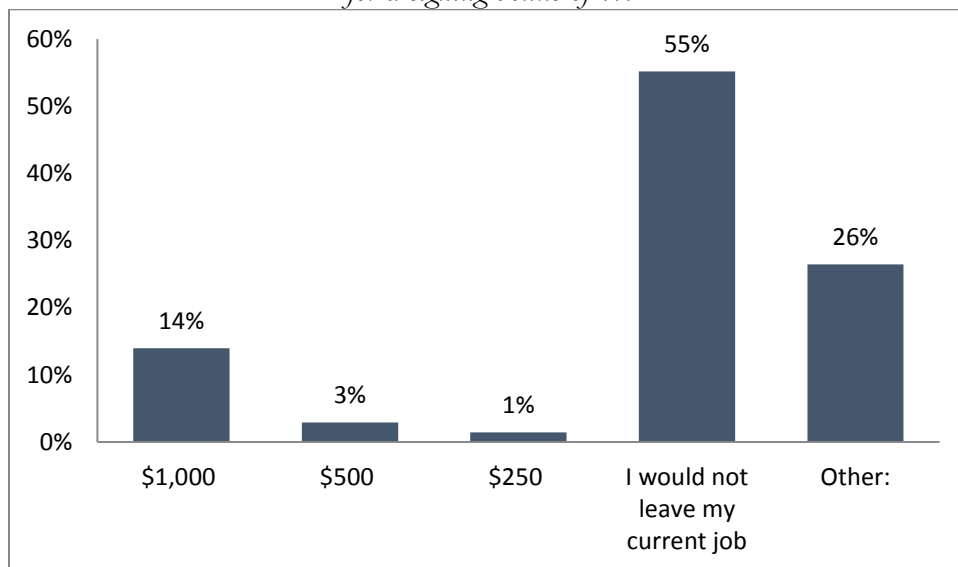
Survey Question: My boss meets with me to find out what I'm hearing from customers on the sales floor.



- 75% of respondents meet with their boss at least once a month; 51% meet once a week or more.

Figure 20: Signing bonus amount for which respondent would leave the bedding industry (n=136).

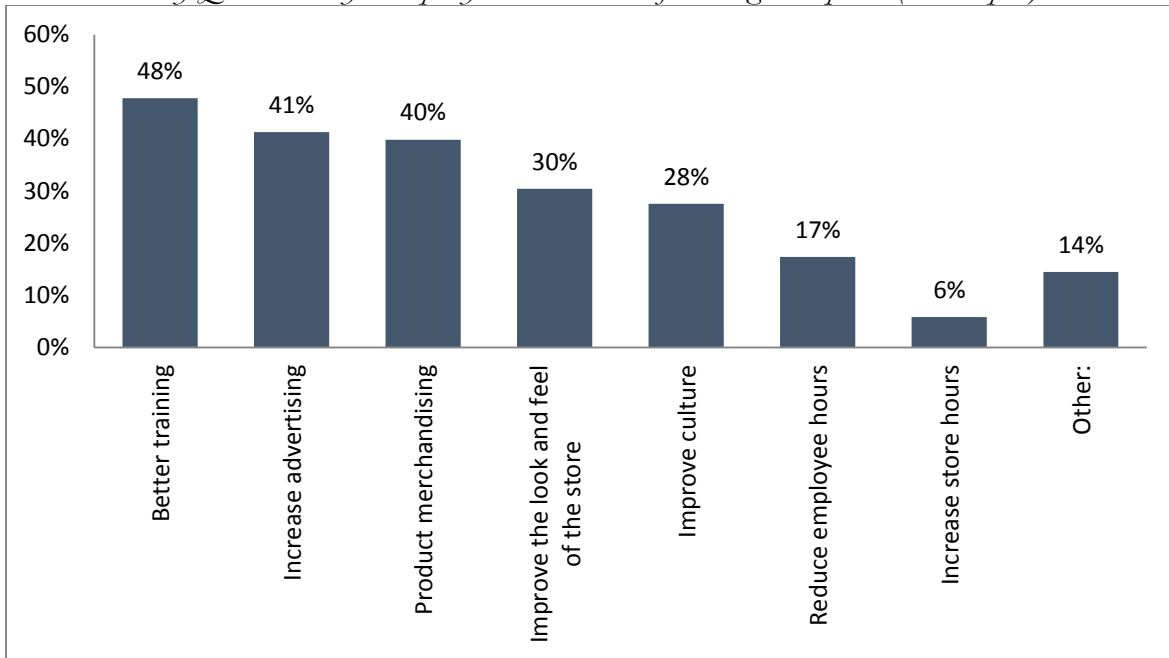
Survey Question: If I knew I could maintain my current income, I would leave the bedding industry for a signing bonus of ...



- A majority of representatives would not leave their current job.

Figure 21: Avenues for improvement (n=138).

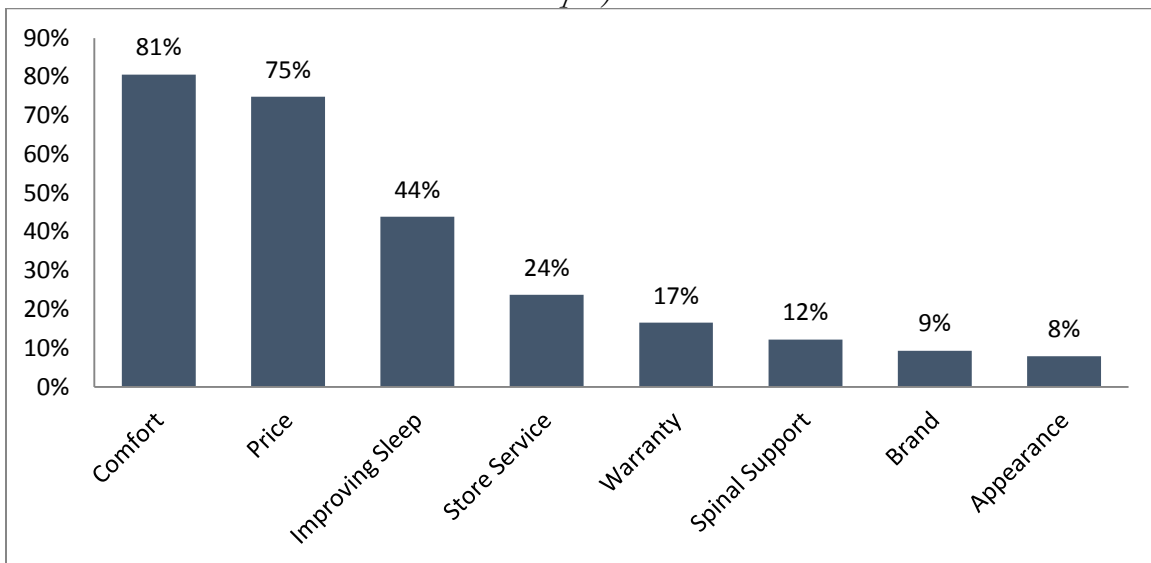
Survey Question: My Company needs to do the following to improve (select top 3).



- Better training, increased advertising and better product merchandising all received over 40% responses when asked to select up to three channels where the company could improve.

Figure 22: Most Important to Customers (n=139).

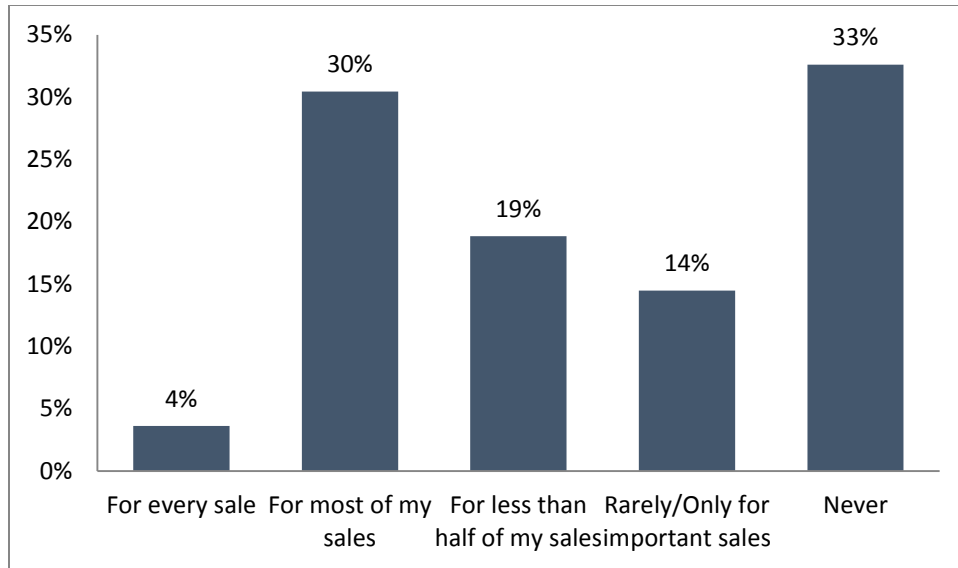
Survey Question: Which of the following do you think is most important to your customers? (Select top 3).



- Comfort was chosen by 81% of the respondents when asked the top 3 most important factors for their customers. Price was second with 75%. No other factor was mentioned at levels greater than 50%.

Figure 23: Frequency with which respondent pushes customer toward the respondent’s favorite brand (n=138)

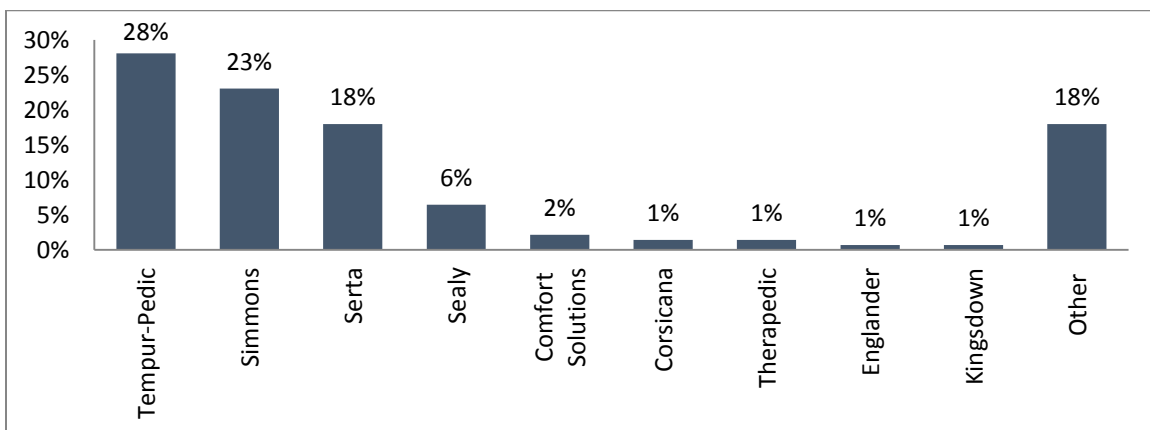
Survey Question: Do you push a customer to your favorite bed or brand?



- This question reveals that there are two types of sales representatives, 34% who almost always push their customers toward the brands they like, and 47% who usually let the customers make up their own minds.

Figure 24: Favorite Brand (n=139).

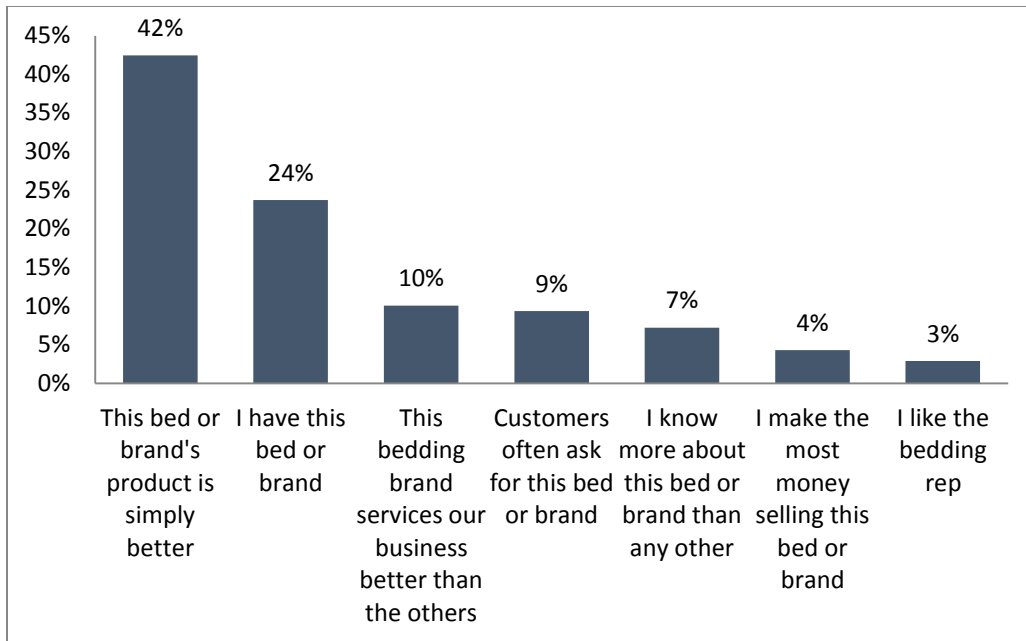
Survey Question: What brand or bed is your favorite?



- Tempur-Pedic, Simmons and Serta are the three most popular brands.

Figure 25: Main reason for favorite brand (n=139)

Survey Question: What is the main reason that this is your favorite bed or brand?



- Quality is the main driver of why a brand is favored.
- Personal ownership is the second most common driver of why a brand is favored.

Figure 26: Respondents' Gender (n=138).

Survey Question: What is your gender?

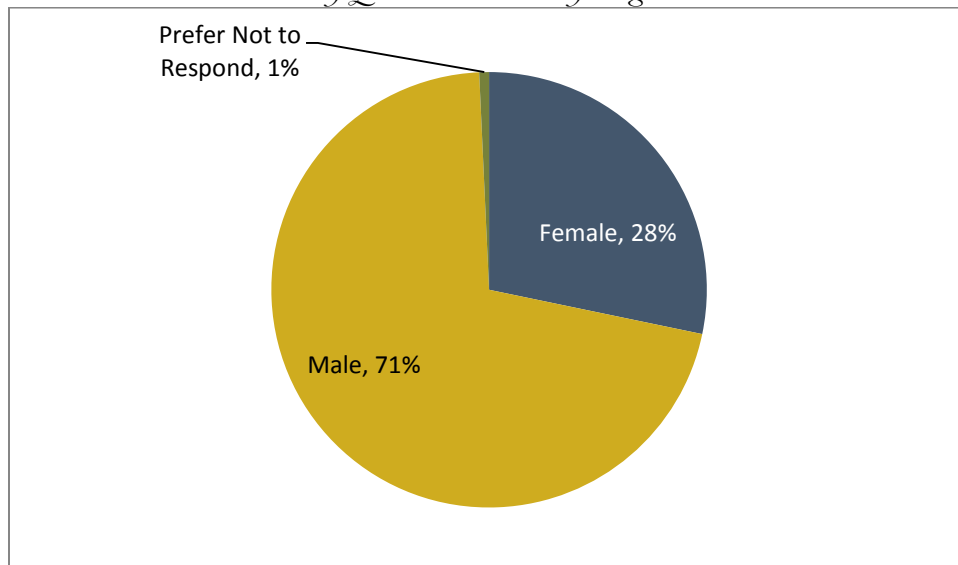


Figure 27: Age (n=118).
Survey Question: Age

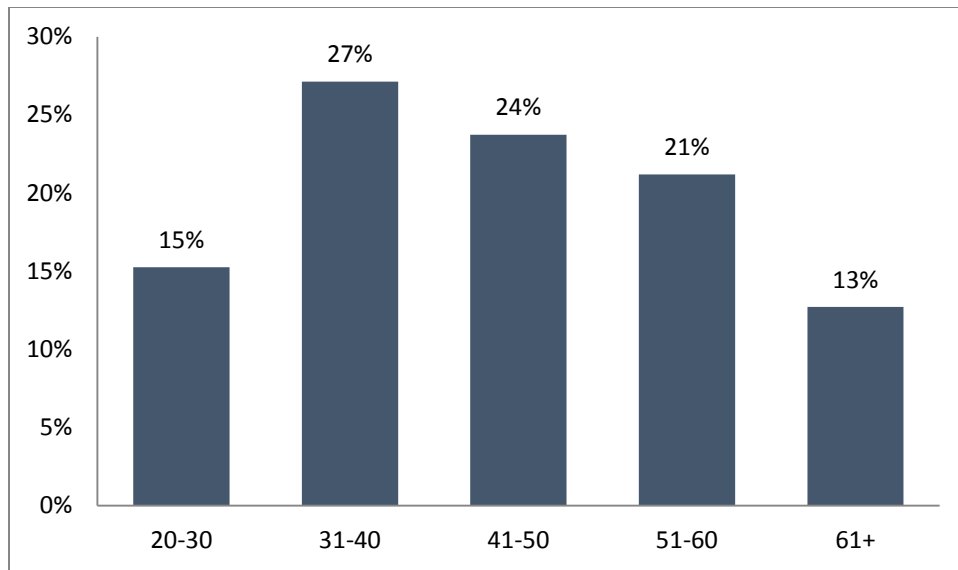


Figure 28: Respondents' Race (n=136).
Survey Question: What is your race/ethnicity?

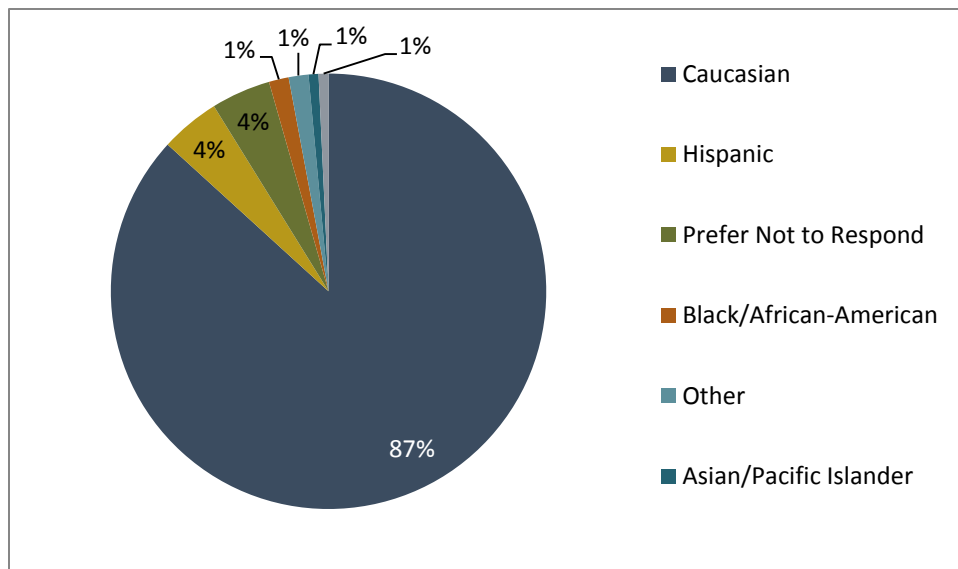


Figure 29: Respondents' Annual Household Income (n=137).

Survey Question: What is your annual household income?

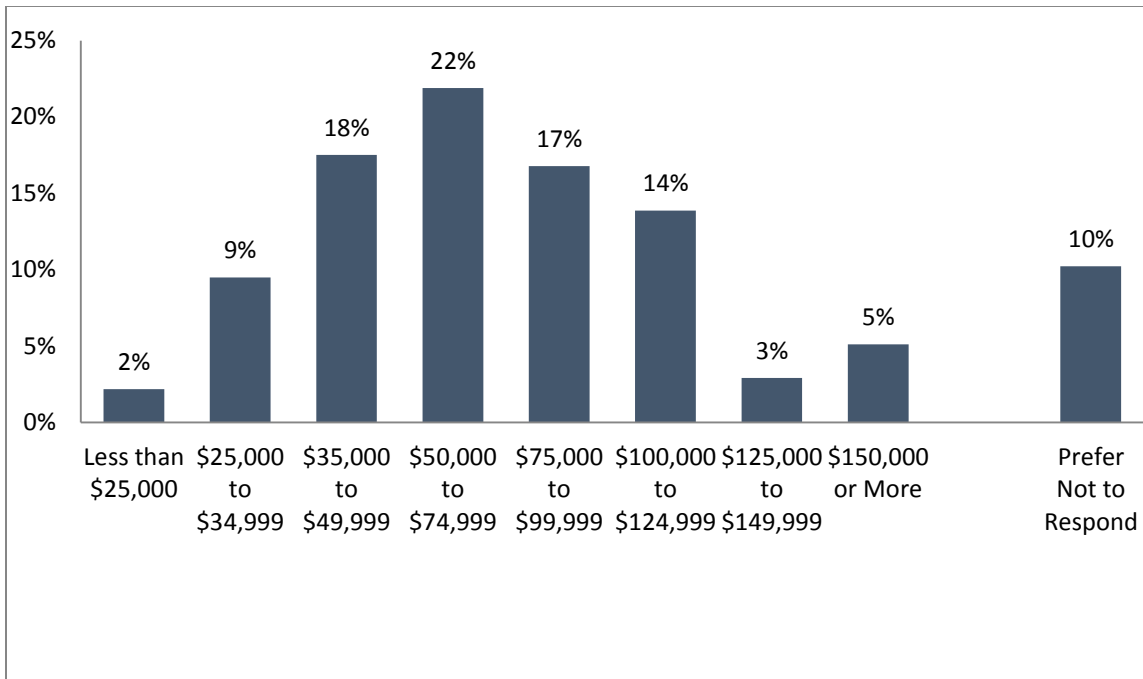


Figure 30: Respondents' education (n=137).

Survey Question: What is the highest level of education you have completed?

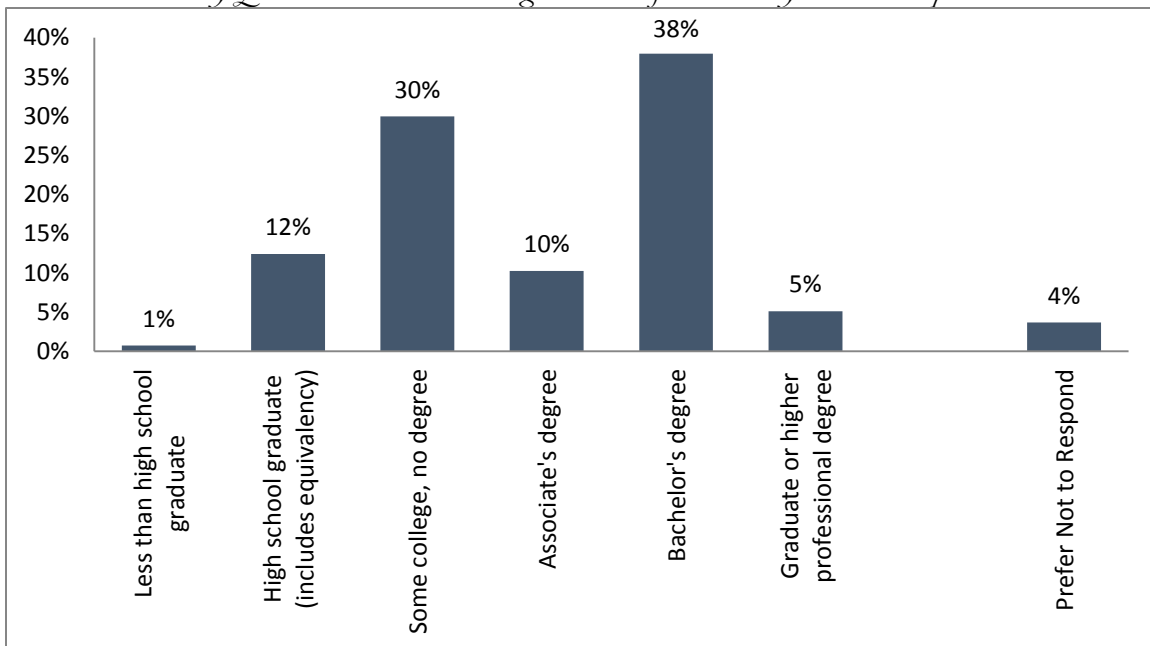
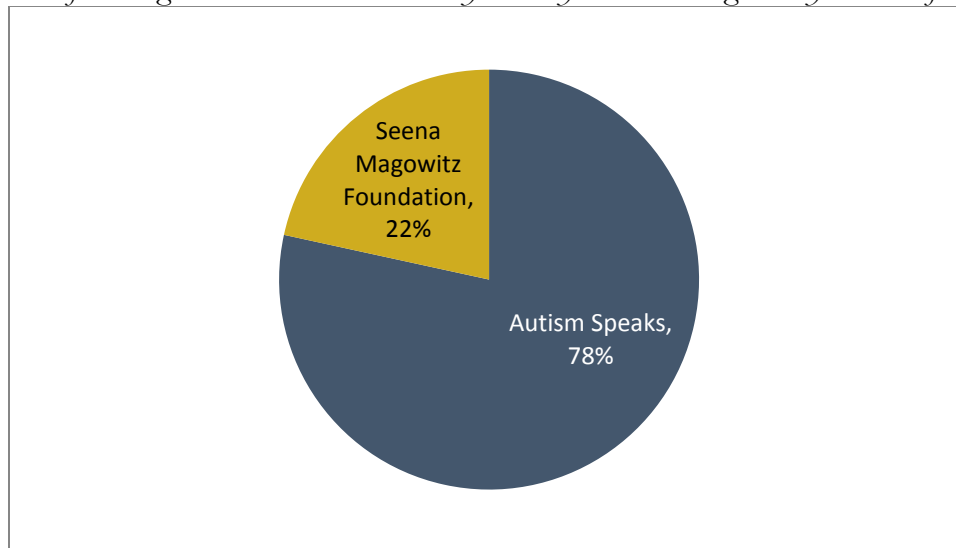


Figure 31: Preferred Charity (n=139).

Survey Question: In exchange for your participation, Leggett & Platt will be donating \$20 to one of the following charities. To which charity would you like us to give on your behalf?



- Autism Speaks is the preferred charity for 108 respondents.

Changing one thing about the industry (n=87)

Open ended question: If you could change one thing about the industry, what would it be?

- The most popular answer was dishonest competition combined with integrity. 13 out of 87 responses (15%) mention something along these lines. An example of a representative response: “Fewer sleazy, dishonest sales people. Everyone wants to make a sale, but the sales people who flat-out lie to customers give the entire mattress industry a bad name that's hard to overcome.”
- The second most popular response was greater public education regarding mattresses with 6 such responses. A representative response, “Better understanding about insomnia/sleep and pain/ sleep disorders.”
- A few responses mention they would like to change long or unusual hours.
- Full text is available in the file previously provided to Leggett & Platt entitled “Bedding Industry Survey Crosstabs - Leggett & Platt, Inc.xlsx”

Project Evaluation Form

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<http://www.hanoverresearch.com/evaluation/index.php>

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