

By Donato Pompo

Welcome to the stone age

Category represents a real growth opportunity for dealers, distributors

Ceramic tile has had a significant effect on the floor covering industry over the last decade, and now natural stone is in a position to make an even greater impact.

Ceramic is one of the highest growth and most profitable floor covering categories, but stone can be even more profitable and has a greater growth rate.

Ceramic tile distributors are selling much more natural stone than ever, and it is becoming a very important part of their businesses. Stone will eventually be much more important to floor covering retailers, just as ceramic tile is now. Stone costs more on average, but that only increases the profit potential. Consumers are intrigued with the product and are asking for it more frequently. Need proof? Just look at all the ceramic tile and vinyl products that imitate stone.

Unlike ceramic tile, very little statistical information has been made available about the stone industry that would enable businesses to effectively plan and forecast their sales and marketing efforts or attract outside investors. But Catalina Research, which provides some of FCW's statistical data, recently col-

laborated with Ceramic Tile And Stone Consultants (CTaSC) to publish the Stone Products Industry Report, the first comprehensive study on the U.S. stone industry.

The report contains current and historical data on U.S. production, shipments and imports of granite, marble, limestone, travertine and other rough and fabricated stone products. It also breaks down sales by market segment and application and includes an extensive analysis of trends in manufacturing, imports, end use, installation and pricing. There are sections on countertop use and on cultured stone products (cement imitation stone).

Statistics for the Stone Products Industry Report were obtained from U.S. government sources and independently conducted industry surveys. The report covers key areas such as consumption value and volumes, production and machinery costs, and industry trends. It also provides forecasts and marketing trends, including Canadian, as well as economic factors affecting U.S. stone product demand, and lists major importers and their foreign suppliers, plus leading U.S. mines and quarries.

The U.S. stone industry has many dimensions, applications and channels, and it is somewhat complex in the route it takes from the quarry to end product. Stone is being imported into the U.S. from all over the world with 10 countries considered major suppliers. There is also a substantial amount of stone being processed in the U.S. Whether the stone's final resting place is as a headstone in a cemetery or as a kitchen countertop in a home, it may have come from the same quarry but traveled through separate hands, processes and channels.

The results of this report were evaluated and compared to FCW's statistical report (July 21/28). A few key points:

- In 2002, \$2.34 billion of ceramic tile floor and wall tile was consumed in the U.S. compared to \$828.3 million of stone flooring. The total amount of stone consumed in the U.S. last year was \$3.3 billion, as stone comes in many shapes and sizes for many different uses. In terms of value, 14.8 percent of the stone consumed was for monumental use such as headstones and trophies; 31.8 percent was for large building applications such as facades; flooring use represented 25.1 percent, while countertop use represented 23.3 percent. The

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Managing mold requires prevention

By Lesley Goddin

Although mold is a concern for any flooring product, it poses a special problem for moisture-laden tile installations in bathrooms, kitchens and laundry rooms. That's because moisture is a key element in mold survival and proliferation.

As a prime culprit in indoor air quality problems, it's no secret that mold causes physical symptoms in sensitive individuals that range from respiratory symptoms to asthma or worse.

growth are moisture, temperatures between 32–140 degrees Fahrenheit, darkness and a food source. When tile installations are not well planned to account for moisture exposure, the backer board itself can become a yummy meal for a mold colony.

Today's building technology exac-

erbates the problem. Sealing buildings tightly in an effort to save energy reduces airflow, thereby trapping moisture in the building and effectively stoking the mold machine. Ali estimates that four people will produce 25 lbs. of moisture a day from regular household activities.

As 25 percent of the earth's biomass, mold spreads by traveling

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Backer boards to the rescue

Following is a sampling of backer boards that are moisture resistant or waterproof. Consult manufacturers for recommendations on additional use of vapor barriers, suggested areas of use and warranty information.

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Stone

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remaining 5 percent was used for other applications.

• In 2002 stone imports grew to \$1.75 billion, representing 52.9 percent of U.S. stone consumption, beating ceramic tile's import value by 13 percent at \$1.55 billion. However, ceramic tile imports represented a much greater share of U.S. ceramic tile consumption at 66.2 percent.

• In terms of volume, much more ceramic tile was sold than stone. Some 2.63 billion square feet of ceramic tile was sold in 2002 compared to 754 million square feet of stone. Since stone is measured in metric tons for volume, it was necessary to extrapolate the square footage by averaging the weight of various stone configurations.

This resulted in an average value of \$4.39 per square foot for stone, compared to ceramic tile's continuing declining average value last reported at \$0.89 per square foot. That makes the price of stone three times that of laminate and more than double hardwood, which means more profit dollars per sale. These figures, combined with survey results from key U.S. importers, made it possible to approximate the U.S. consumption of modular stone tile (typically 3/8-inch or 1/2-inch thick stone with a facial surface dimension between 12 x 12 and 24 x 24) during 2002 to be 210 million square feet for an average value of \$3.94.

• The majority of stone imports in the U.S. today come from Italy, although its market share is rapidly declining due to significant competition from Brazil, China, India and Turkey. Italy, however, still represented 31.3 percent of all imports in 2002. Granite makes up more than 38 percent of stone imports with marble at 16.2 percent, which continues to decline in volume as travertine, limestone and other stones gain popularity.

Be prepared

Those already selling natural stone are ahead of the game. Offer-

faces, but countertop installations can be easily learned with the proper training and tools. There are a few organizations that offer stone training, including the University of Ceramic Tile and Stone, which offers an online training program for people new to the category. You can get details on different programs and options at www.ctasc.com.

Floor covering retailers should prepare now for increased growth and demand. There is an advantage to having established relationships with customers who bought ceramic tile and other floor coverings in the past and who prefer stone today. But your competitive advantage can be diminished if you do not adjust and grow with the industry.

Technology will continue to be an important tool to keep up-to-date, and buying right from the glut of lower-cost suppliers showing up from around the world will help ensure you benefit from the various economies of scale in production and sourcing. Of course, with the glut of product becoming available it is critical that you implement quality control processes to ensure you meet or exceed industry standards.

Lack of skilled labor is another challenge. The Tile Council of America (TCA) reported that whereas ceramic tile consumption doubled from 1994 through 2001, the number of ceramic tile installers increased only 25 percent. The stone industry has also doubled in consumption, and its workforce is in as bad, if not worse, condition in terms of not having enough skilled labor.

The outlook for stone is robust. The study projects double-digit growth through 2008, with imports taking an even larger role. Total volume consumption could double by 2008. The economy will help or hinder overall growth, but it seems assured that those selling natural stone have at least 10 years of robust business ahead.

CTaSC will continue to provide the necessary technology and support for conducting surveys, and as more industry members participate the results will prove a vital tool for businesses. I encourage everyone to

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Be prepared

Those already selling natural stone are ahead of the game. Offering stone with ceramic tile is a natural for giving customers the choice they want. With the increase in demand for stone, it is not enough to offer stone, but rather to emphasize that you can provide the product. Just keep in mind that the customer is looking for information and a large selection to help her make the best choice for her needs.

The biggest challenge will be educating your employees on stone in order to add credibility in the selling process and avoid problems and false expectations. Modular stone tile is installed via similar ceramic tile installation methods, but there are some important differences. Stone slab gets more complicated in terms of fabricating and applying to vertical sur-

face, and buying right from the glut of lower-cost suppliers showing up from around the world will help ensure you benefit from the various economies of scale in production and sourcing. Of course, with the glut of product becoming available it is critical that you implement quality control processes to ensure you meet or exceed industry standards.

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CTaSC will continue to provide the necessary technology and support for conducting surveys, and as more industry members participate the results will prove a vital tool for businesses. I encourage everyone to participate in these surveys, which will not only benefit this industry but will offer the kind of foresight that maximizes the growth of your business in this fast growing stone industry.

Copies of the Stone Products Industry Report can be purchased at a discount at www.ctasc.com. Or you can contact Donato Pompo at Ceramic Tile And Stone Consultants at (619) 669-2967, or e-mail him at dvpompo@CTaSC.com. **FCW**

Donato Pompo (CTC, CSI, CDT, MBA) is the founder of Ceramic Tile and Stone Consultants (CTaSC). He has more than 25 years experience in the ceramic tile and stone industry, ranging from installation to distribution to manufacturing.