

TPX's Simplicity Expands Customer Base But Challenges Persist

Companies: TPX, ZZ

June 14, 2012

Research Question:

Will Tempur-Pedic's new Simplicity line cannibalize its own more expensive products or expand sales?

Summary of Findings

- The [Simplicity](#) line by [Tempur-Pedic International Inc.](#) (TPX) will not cannibalize its higher-priced mattresses. It also allows the brand to expand its customer base.
- Challenges that lie ahead for Tempur-Pedic include an increase in quality products from competitors, a lack of products in the growing trend of eco-friendly mattresses, higher material prices and retailer dissatisfaction with the company.
- Smaller stores are considering dropping Tempur-Pedic products due to low retailer margins, according to a store owner and industry specialist.
- Tempur-Pedic does not offer an eco-friendly mattress, despite the increasing popularity of green mattress initiatives noted by two suppliers, three industry specialists and a mattress retailer.
- A customer, industry specialist and secondary sources note several health concerns raised over fumes and materials found in Tempur-Pedic mattresses.
- Margin pressure may come into play because foam mattress material prices increased in March and are expected to remain elevated for up to eight months, according to one supplier. Tempur-Pedic is also offering discounts on specific models for the first time ever, according to some stores.
- Overall mattress unit sales are up 3% to 6% for 2012 year to year, say two industry specialists. Industry sales growth is expected to remain in the mid-single digits through 2013.

Silo Summaries

1) SUPPLIERS

Both sources report memory foam sales increasing year over year and the increasing popularity of environmentally-friendly materials such as soy. One source noted that material pricing increased in March and is expected to stay elevated up to eight months.

2) STORES

Eleven of 16 sources do not believe the Simplicity line will cannibalize Tempur-Pedic's higher-priced mattress sales. Five had no comment. Sources view Simplicity as an opportunity for Tempur-Pedic to expand its customer base. Of the six sources who commented on Serta Inc.'s iComfort, five see iComfort taking market share and sales equal to or greater than Tempur-Pedic and one sees iComfort as superior in quality to Simplicity. One source revealed that smaller retailers are considering dropping Tempur-Pedic because of low margins and Tempur-Pedic's requirement of extra slots within stores. Another said eco-friendly mattresses are gaining market share and three sources noted that Tempur-Pedic's Cloud Supreme is on sale.

3) INDUSTRY SPECIALISTS

Four of five sources cite challenges Tempur-Pedic will face in the growing trend of green mattress technology, in which Tempur-Pedic has no presence. In addition to this challenge, sources note Tempur-Pedic faces more competitors with quality products, a history of poor relationships with its retailers and new technology developing in Europe that will enter the U.S. market in the next few years. One source notes smaller mattress stores cannot afford to carry the line anymore, which echoes comments from one of our store owners. Another says overall mattress sales will grow 4% to 6% through 2013 and another says year-over-year mattress sales as of April were up 5.4% in unit sales, and about 15% in terms of dollar value.

4) CUSTOMERS

Simplicity will not cannibalize Tempur-Pedic's higher-price mattress sales, according to two sources. Two Simplicity buyers reported choosing Simplicity for its price and quality combination. One source returned his Tempur-Pedic after its "chemical smell" didn't diminish.

5) SURVEYMONKEY MATTRESS SURVEY

In a survey of 287 respondents, mattress selection beat out price as the No. 1 factor when choosing a mattress retailer. A majority (67%) of our 287 respondents would choose a memory foam mattress over a spring mattress if price were not a factor. Of the 32 respondents who purchased a memory foam mattress in the past six months, 41% purchased a Tempur-Pedic while 22% bought a Serta.

	Simplicity cannibalizing TPX higher-priced mattresses	TPX continues to face challenges	Eco-friendly mattress trend popularity
Suppliers	↓	↑	↑
Stores	↓	↑	N/A
Industry Specialists	↓	↑	↑
Customers	↓	→	N/A

Background

Tempur-Pedic released a new Simplicity line in April. Initial research by Blueshift prior to this report indicated a disconnect between reports from Tempur-Pedic of positive retailer feedback regarding its new Simplicity line and the actual unit sales based on 10 store representatives we interviewed. Blueshift's [Dec. 8 report](#) revealed Serta's iComfort was gaining market share from Tempur-Pedic, particularly among first-time foam mattress buyers. The iComfort's lower price tag and Cool Action Gel Memory Foam were cited as Serta's competitive advantages over Tempur-Pedic foam mattress models.

CURRENT RESEARCH

In this next study, Blueshift assessed whether Tempur-Pedic's relatively low-priced foam mattress option will cannibalize its higher-end foam mattresses or expand the company's customer base.

Blueshift employed its pattern mining approach to establish and interview sources in six independent silos:

- 1) Suppliers (2)
- 2) Stores (16)
- 3) Industry Specialists (5)
- 4) Customer (7)
- 5) SurveyMonkey mattress survey (287)
- 6) Secondary sources (3)

Blueshift interviewed 30 primary sources, including two repeat sources, and included three of the most relevant secondary sources focused on health and quality concerns raised by Tempur-Pedic customers, discounting by Tempur-Pedic for the first time ever, and the growing trend in green mattresses.

Next Steps

We will continue to stay in touch with store sources to track the success of the Simplicity line. We will monitor discounts offered by the brand and the new memory foam mattress technology developing in Europe and Tempur-Pedic's response to it. Finally, we will monitor claims regarding "toxic" materials used by Tempur-Pedic and any initiatives the company develops to become competitive in the growing market for eco-friendly mattresses.

Silos

1) SUPPLIERS

Both sources report memory foam sales increasing year over year and the increasing popularity of environmentally-friendly materials such as soy. One source noted that material pricing increased in March and is expected to stay elevated up to eight months.

➤ Regional sales representative for supplier of bedding components and foam

This supplier sells bedding materials and foam to major competitors. Business continues to increase year to year, and sales have grown in the last five to 10 years. Pricing increased in March, when oil prices jumped. The prices will stay that way for six to eight months. Because there is some resistance to higher-priced bedding, they are working with the manufacturers to try and reduce costs. There doesn't appear to be any cannibalizing because there is room in the market for both conventional and specialty mattresses. Tempur-Pedic is No. 1 in the memory foam market, followed by [Serta Inc.](#) Green is slowly becoming a trend, but it will take a few years, possibly due to the high price of cotton.

- "The bedding business continues to rise year to year. It will continue to

Pricing in March took a dramatic jump due to an increase in oil prices. This will continue for the next six to eight months.

*Regional Sales Representative
Bedding Supplier*

grow in 2012. ... Bedding is the most profitable of all furniture.”

- “Pricing in March took a dramatic jump due to an increase in oil prices. This will continue for the next six to eight months. When oil goes up, pricing of related industries will go up as well. We are all related to petroleum.”
- “Our sales have grown in the last five to 10 years.”

➤ Sales representative for supplier of custom mattresses

The memory foam business is increasing each year, especially for quality products. Foam from China has more chemicals and off-gassing in addition to other byproducts. U.S. and Canadian foam is a superior product. Soy is replacing polyurethane, and green products are on the rise. Tempur-Pedic has great marketing.

- “Our business definitely increases each year. People are starting to recognize quality products, and the foam bedding is becoming more popular.”
- “Tempur-Pedic definitely has great marketing, and that’s why they do so well.”
- “Gel is the new thing—it’s supposed to dissipate heat. But I think it may be a gimmick. Latex is a much better sleeping surface. There is no off-gassing or odor.”
- “Many of the big manufacturers import foam from China. These foams have a lot of off-gassing from the chemicals that go into it. The formaldehyde and boric acid are carcinogenic. In addition, there is no quality control in China, and they have found ground bones in the foam. But it is hard for the companies to change their resourcing.”
- “America and Canada makes superior foam products. There aren’t too many companies that produce their own foam now.”
- “Green is becoming more popular. Natural soy is used to replace polyurethane now.”

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*Sales Representative
Custom Mattress Supplier*

2) STORES

Eleven of 16 sources do not believe the Simplicity line will cannibalize Tempur-Pedic’s higher-priced mattress sales. Five had no comment. Sources view Simplicity as an opportunity for Tempur-Pedic to expand its customer base. Of the six sources who commented on [Serta Inc.’s iComfort](#), five see iComfort taking market share and sales equal to or greater than Tempur-Pedic and one sees iComfort as superior in quality to Simplicity. One source revealed that smaller retailers are considering dropping Tempur-Pedic because of low margins and Tempur-Pedic’s requirement of extra slots within stores. Another said eco-friendly mattresses are gaining market share and three sources noted that Tempur-Pedic’s Cloud Supreme is on sale.

➤ Assistant manager, American Mattress, Chicago area

This source states that rather than cannibalizing its sales, the introduction of the Simplicity line will increase the hold Tempur-Pedic has on the market due to its more affordable price points. In the three weeks Simplicity has been on the floor, he has sold six of them. Simplicity holds three of seven Tempur-Pedic slots on the sales floor. [Sealy Corp.](#) (ZZ) has the top-selling mattress at this location. The [Tempur-Cloud Supreme](#) was on clearance at this store.

- “I don’t see the Simplicity line taking any sales away from the top Tempur-Pedic line. If anything, it will help and increase their overall sales.”
- “We have had the Simplicity line on the floor now for three weeks. It is selling pretty well.”
- “I have sold six Simplicity mattresses since they came in.”
- “The people who cannot afford the top Tempur line have something they can afford now. It will be good for their business.”
- “The Sealy mattresses are the top sellers in the store. People do still prefer the traditional mattress style.”
- “Sealys also sell well because their price points are lower than the foam mattresses. You can get a queen Serta anywhere from \$599 to \$1,299. To get into a queen foam, you are looking at \$1,200 to start, up to \$3,000.”
- “We have seven Tempur-Pedic mattresses on the sales floor and three of those are Simplicity. In Simplicity, we have the soft, medium and firm.”
- “Tempur-Pedic is running a sale now on their Cloud Supreme set. You can get up to \$600 off.”

Reporter Observations:

Tempur-Pedic

The Tempur-Pedic line was to the right inside the entrance. All its mattresses were lined up in a row, with the Simplicity line mixed among the Tempur mattresses. In addition to the Tempur-Cloud Supreme, many Sealy mattresses were on sale and advertised as clearance prices. No customers were in the store during a weekday afternoon visit. There was no signage on the windows.

➤ **Manager, American Mattress, Chicago area**

The Simplicity line will not compete for sales with the Tempur-Pedic line, regardless of the price difference, because the quality does not compare. He has only sold two Simplicity mattresses since they came on the floor three weeks ago and does not anticipate sales to jump anytime soon. He believes the iComfort is a much better value than the Simplicity. iComfort sales are as strong as Tempur-Pedic sales at this store.

- “The introduction of the Simplicity line will not undercut Tempur-Pedic sales.”
- “The Simplicity line is half the price, but it is also half the quality of the [higher-end] Tempur-Pedic mattresses.”
- “We have had the Simplicity line on the floor for three weeks now ... I have only sold two Simplicity mattresses since they have been on the floor.”
- “At this store, due to the demographic, Sertas do better than Tempur-Pedics. There are a lot of college students and a transient population that cannot afford a Tempur-Pedic. But company-wide, Tempur-Pedics are our top sellers.”
- “For the money, the [iComfort Insight](#) is a better mattress than any of the Simplicity line. I don’t know what they are making the Simplicity mattresses out of, but they are not comfortable.”
- “I sell as many iComforts as I do Tempur-Pedics.”
- “We have eight models of Tempur-Pedic on the floor and we carry the three types of Simplicity mattress; soft, medium and firm.”
- “The Simplicity line runs a little higher than your lower-end iComforts. For the money, you are much better off getting an iComfort.”
- “Occasionally, the iComforts are a few hundred dollars off.”

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*Manager, American Mattress
Chicago-area*

Reporter Observations: The manager was the only person working the store during a Friday afternoon visit. The Tempur-Pedics were on the left wall near the entrance and the iComforts were across the aisle from them. There was signage on the store windows advertising both iComfort and Tempur-Pedic. The store’s current sales ad was posted on the door.

➤ **Assistant manager, Bedding Experts, Chicago**

This source states Simplicity will not draw any sales away from Tempur-Pedic. She has not sold one since it has been on the floor over the past month. Although customers are testing them, the comfort level they desire is not there and they are paying \$500 more to get a Tempur-Pedic. The Tempur-Cloud Supreme line is currently on sale here for a savings of up to \$600. Due to space limitations, this location only has one of the three Simplicity mattresses available.

- “I don’t see the Simplicity line taking away anything from Tempur-Pedic sales. It has had no affect on them so far.”
- “Simplicity has a long way to go to catch up to [higher-end] Tempur-Pedic. I don’t think it can and thus far, the Simplicity line has not been catching on. It is still very new and customers are just finding out about it.”
- “The Simplicity line has been on the floor for about a month. It is not really selling. I have not sold one yet, personally.”
- “Customers are checking them out, but they are finding that the comfort level does not compare at all to the [higher-end] Tempur-Pedics. And, the other Tempur-Pedics are only \$500 more, so they are going with the [higher-end] Tempur-Pedic.”
- “Tempur-Pedic is actually on sale right now—anywhere from \$200 to \$600 off. The sale started right before Memorial Day and is going until July 1.”
- “Customers were complaining that the Tempur-Pedics never go on sale. So they are starting to put them on sale occasionally.”
- “Tempur-Pedic is the top-selling mattress here.”
- “We only have one of the Simplicity line mattresses on the floor: the soft model. We simply don’t have enough room in the store to carry all three.”
- “We have four Tempur-Pedic mattresses on the floor. The majority of our product on the floor is Sealy.”

- “Tempur-Pedic is considered to be the Rolex of mattresses. When do you see Rolexes go on sale? Never. So, why do people expect the Tempurs to be on sale?”

Reporter Observations: On a weekday afternoon, there were no customers, and one person worked the sales floor. The store had signs for Tempur-Pedic in the windows and its mattresses were at the front to the left of the entrance. The mattresses could be seen by passersby from the sidewalk outside the store.

➤ **Owner of four independent stores, California; repeat source**

Tempur-Pedic sales have been dropping since the store started selling Serta's iComfort. The iComfort accounts for more than 65% of store sales, compared to less than 33% for Tempur-Pedic. Other companies make a better and less expensive memory foam than Tempur-Pedic. The company is heavy-handed with retailers, requiring extra slots and forcing retailers to buy beds. Tempur-Pedic profit margins are low. Smaller retailers are considering dropping the line.

- “Our Tempur-Pedic sales have been dropping ever since we started selling iComfort. iComfort now accounts for more than 65% of our sales, while Tempur-Pedic is less than one-third of all sales.”
- “We carry a number of memory foam beds that are way superior to and less expensive than Tempur-Pedic, and that's what I'm telling the customers. I don't want to lie to them. They want a good bed.”
- “Tempur-Pedic has always been a thorn in my side. They are threatening to pull out of our stores unless we add more slots. Our stores are too small to add more Tempur-Pedic slots, and we simply don't have the room at this store for a Simplicity slot. But I'm going to call their bluff. If they want to pull out, that is fine with me. In fact, I'm seriously thinking of not selling Tempur-Pedic anymore. I may keep one set on the floor for customers to compare, but that will be it. I know other retailers who are thinking of doing the same. There's too much pressure and not enough price margin on the Tempur-Pedics. It's just not making sense any more.”
- “My guess is that Tempur-Pedic will start being sold in only the larger stores, not smaller ones like ours. Those stores have the room that Tempur-Pedic wants, and they can afford to buy the number of beds that Tempur-Pedic requires.”

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*Owner, Four Independent Stores
California*

➤ **Sales associate, Mattress Firm, New Jersey**

The Simplicity line will most likely expand sales as it appeals to a different customer than one who purchases Tempur-Pedic's more expensive products. Simplicity and iComfort mattresses are close on price, but they still aren't an even comparison—iComfort is superior.

- “The Simplicity line will probably help attract customers that would not have considered Tempur-Pedic's other products. I don't think Simplicity will take away from Tempur-Pedic's more expensive products, maybe a small amount, but the products appeal to different people.”
- “The Simplicity line doesn't compare to the iComfort. They are very different—a different feel. The iComfort line is more pricey. They are close, but not an exact comparison. Simplicity is more of an introductory line, iComfort is not. Some of the mattresses go up to \$6,000.”

➤ **Manager, Mattress Firm, New York**

The Simplicity line is not “taking off” as planned. The iComfort line is a strong competitor to Simplicity, perhaps the only one that takes market share from Tempur-Pedic. Simplicity is an entry into memory foam but customers are not trading down to it. Those who spend on memory foam are generally willing to spend more than Tempur-Pedic is asking for the Simplicity line.

- “Simplicity's not taking off like it was planned. I think Tempur-Pedic's trying to get the lower-price consumer to come up, but most are sticking with the higher-end product. There's only one mattress, an iComfort bed, that

beats Simplicity in price, with their entry model. If people are going to spend money for a Memory Foam, they'll spend more than what Simplicity's asking for."

- "Customers aren't trading down. Not from what I've seen. They trade up."
- "We have 12 Tempur-Pedic slots. Three of them are the Simplicity line."
- "The incentives are decreasing, like, they're dropping the free pillow program."
- "There are five iComforts, that's up one from January. It's just another option."
- "It's hard to say what will play out. Business is all over the place in a presidential year and the summer season's the best selling season."

➤ **Manager, Mattress Firm, Texas**

Approximately 25% of this store's Simplicity sales are from first-time foam mattress buyers. Simplicity is not especially hurting sales of upscale Tempur-Pedic models or iComfort models, though iComfort sales are exceeding Simplicity sales this month.

- "Maybe a quarter [25%] is the Simplicity, that's first-time [foam] buyers."
- "iComfort is ahead of Simplicity right now by maybe three to two [mattresses] this month. But people aren't sentimental about mattresses—they like how they feel. That could change next week."
- "Most customers are trading up to Simplicity."
- "We've got nine Tempur-Pedic slots, two of them are Simplicity."
- "We do what Tempur-Pedic tells us. We haven't discounted in the last couple of months, we haven't had to. People are spending now."

➤ **Manager, Mattress Firm, Carolinas**

The Tempur-Pedic Simplicity line is an entry-level line—not one to which people trade down but rather one to which they trade up. Tempur-Pedic sales at this store are on par with last year.

- "We have all three Simplicity models."
- "We have 13 Tempur-Pedic models, three are simplicity."
- "They [Tempur-Pedic] have a pretty good promotion for upgrading."
- "We're not losing people who downgrade to Simplicity."
- "Tempur-Pedic sales are about in line with what they were last year. There's not a significant increase."
- "About half our sales are memory foam."
- "Simplicity and iComfort are separate sales. The feel between the two beds and the comparable price point—they're very different feels. The iComfort is a firmer feel."

➤ **Store manager, Mattress Firm, Florida**

The Simplicity line will not affect sales of higher-priced Tempur-Pedic beds. This store has low expectations for the success of the Simplicity line in general. With only one Simplicity model on display and many incentives to upgrade within the Tempur-Pedic brand, the Simplicity line gets overshadowed and is merely the upgrade from a spring mattress. All Tempur-Pedics are on discount at this location.

- "[The Simplicity line] won't take away from [Tempur-Pedic's higher-end] sales, but only add to it a little. I can't imagine the Simplicity line will affect Tempur-Pedic that much."
- "I have low expectation for the success of the Simplicity over the higher-priced Tempur-Pedic products."
- "Customers who are shopping Tempur-Pedic are not trading down to the Simplicity. It is a step up sale for those shopping spring beds."
- "All the Tempur-Pedics are on sale now. We are having an Upgrade and Save Event right now. Incentives are the same as last year: longer terms for financing, free pillows, free delivery. They change and are store-specific."
- "We have some clearance Tempur-Pedic from pre-owned returns. There are two on the floor now."
- "There is one Simplicity on the floor—it is the firm model—and 10 slots for the Tempur-Pedic."
- "[Simmons \[Bedding Co.'s\] ComforPedic](#) has been popular, too. It sleeps cooler."
- "Our service, guarantees and our national presence makes [Mattress Firm](#) unique."
- "We [Mattress Firm] just started running a commercial in the area."

Reporter Observations: On a Thursday evening, the store didn't have a single customer, but sale signs were everywhere inside and outside the store. They hung from the ceiling and were on most of the mattresses inside the store.

► Sales associate, Mattress Firm, Utah

The Simplicity offers an affordable alternative to a broader Tempur-Pedic customer base. Tempur-Pedic sales have increased year to year, and they will increase in 2012. Nine out of 10 customers buy Tempur-Pedic. They sell four to five Tempur-Pedics each month, with one or two from the Simplicity line. Customers are excited to have a lower-priced Tempur-Pedic, although some customers like the Serta and Simmons gel. [Mattress Firm](#) offers several advantages including a trained staff, longer guarantee, quick delivery and low prices.

- “Customers are excited about the Simplicity Tempur-Pedic and that it is offering a cheaper line. The higher prices scared people, but now the beds are more affordable.”
- “Year to year, our Tempur-Pedic sales are definitely increasing. We expect sales to increase in 2012.”
- “Tempur-Pedic is a well-known brand. Everyone knows it. They offer a great warranty.”
- “Mattress Firm offers several advantages. One, all of the staff are thoroughly trained, making all of us sleep experts. We’re not like the other stores, where the staff doesn’t know mattresses. Two, we offer a happiness guarantee. You have 125 days to try out the mattress, and it can be returned without any recharging fees during that time. Most stores just give you 90 days. Three, we offer a great delivery and pick-up service. People can get their mattresses in three hours instead of waiting a week, like at other stores. Four, we won’t be undercut. We offer the best prices.”
- “Nine out of 10 of our buyers are Tempur-Pedic buyers. A few of them buy the Simplicity. It doesn’t appear that Simplicity is cutting into Tempur-Pedic’s higher-priced lines. In a month, we’ll sell five or six Tempur-Pedics, and one or two of them will be Simplicity.”
- “Our Simplicity line starts at \$799 for a twin; that’s less expensive than the other stores. The Tempur-Cloud is up to \$1,299, and the Supreme ranges from \$2,149 to \$3,649.”
- “We do sell Serta’s iComfort. But if people come into our store looking for a memory foam, they go right to the Tempur-Pedic first. But some like [the gel](#) and [Simmons](#).”

Customers are excited about the Simplicity Tempur-Pedic and that it is offering a cheaper line. The higher prices scared people, but now the beds are more affordable.

*Sales Associate, Mattress Firm
Utah*

► Store manager, Mattress Express, Florida

Tempur-Pedic products are continuing to sell at this store, though the Simplicity model is not represented on the floor yet. Foam shoppers are buying Tempur-Pedic’s regular line six out of 10 times over competitor’s foam mattresses.

- “We don’t have the Simplicity yet. We can order it though ... We have had a few calls asking if we have it, but it won’t take over sales of the regular Tempur-Pedic beds. They sell six out of 10 times to a customer who wants foam. The others we move to ComforPedic.”
- “Tempur-Pedic is the leader in the foam industry, but they are expensive. We carry other foam beds that are just as good at a lower price point. I think customers would choose another brand that is equal to the Tempur-Pedic, like the ComforPedic before they would buy Simplicity.”
- “We have six Tempur-Pedic models on the floor now. We had seven, but one got discontinued.”
- “I have never had a return or heard any complaints about Tempur-Pedic.”
- “The Simmons ComforPedic is next in line to the Tempur-Pedic. It has been selling OK against it. Customers looking for foam look at Tempur-Pedic first and then they look at other brands.”
- “The Tempur-Pedic Upgrade and Save Event has worked well for us. It up-sells and gets the customer into a better bed. They are happier in the long run and we make a bigger sale.”

Reporter Observations: On a Saturday afternoon, this store featured four Tempur-Pedic banners on the walls above its products. One sign promoted the Upgrade and Save Event. No customers came in during my visit. This store favored Simmons with lots of floor space devoted to its products.

► Sales associate, Sleepy’s, New Jersey

The Simplicity mattress line is unlikely to have a material impact on the sales of Tempur-Pedic’s higher-end mattresses. It is a quality product at a good price point, and customers are taking notice.

- “[Will Simplicity mattresses take away from Tempur-Pedic’s higher-end line?] I would think not.”
- “We just started carrying the Simplicity mattresses. We have two on the floor, the firm and medium models.”

Tempur-Pedic

- “People are looking at them. It is at a good price point.”

Reporter Observations: On a Saturday evening the Tempur-Pedic beds were at the front of this store, with the Simplicity beds farthest from the door. Four Tempur-Pedic mattresses in addition to two from the Simplicity line were on display. There were no signs noting promotions or sales.

➤ Sales associate, City Mattress, Florida

Tempur-Pedic’s Simplicity line will only add to the Tempur-Pedic brand, allowing it to expand into the spring mattress customer market. Both the [Tempur-Cloud model](#) and Serta’s iComfort line are popular with shoppers at this store.

- “The Simplicity will only add to the Tempur-Pedic brand. It definitely won’t hurt sales of the higher-priced models. It’s like if Mercedes added a lower-end E Class.”
- “Tempur-Pedic has ruled the foam market the last five years. Now they have competition. The Simplicity line may help get that spring customer to upgrade and they have that market covered now. It can only be a good thing to expand a line to cover all price points.”
- “The Cloud has been the go-to model for Tempur-Pedic shoppers. They ask for it specifically by name. The industry as a whole is going softer. People want a softer feel.”
- “The iComfort has been equally as popular as Tempur-Pedic since it came out. Shoppers are also asking for it by name.”
- “We don’t offer any discounts on Tempur-Pedics. Our prices are set by Tempur-Pedic and we follow their incentives when they offer them.”
- “We have six Tempur-Pedic slots, one is Simplicity. That number hasn’t changed. A model was discontinued and the Simplicity filled the spot. We have four Serta iComforts on the floor. We started with two and now have four. We got the other two about four months ago.”

The Simplicity will only add to the Tempur-Pedic brand. It definitely won’t hurt sales of the higher-priced models. It’s like if Mercedes added a lower-end E Class.

Sales Associate, City Mattress
Florida

Reporter Observations: On a Friday afternoon, no distinguishing signs set the Tempur-Pedics apart at this City Mattress store. They were grouped together near the iComfort mattresses. A large clearance section featured four Tempur-Pedic mattresses that were discontinued floor models from other store locations, according to the associate. The clearance Tempur-Pedic beds were discounted up to 40% off their original price. Two couples were shopping for mattresses during the visit.

➤ Owner, Ortho Mattress, California

Sales of Simplicity are performing on par with other brands. Tempur-Pedic’s relatively high shipping costs are a negative for this store owner as Tempur-Pedic’s warehouses are in Albuquerque, N.M., and West Virginia. In contrast, other manufacturers have warehouses closer to this California location.

- “We’re selling Simplicity [mattresses] just fine, but they’re not doing any better than any of the others.”
- “We carry them all. We have 12 models on the floor.”
- “We also carry [Stearns & Foster](#), [Simmons](#) and [our Ortho brand](#).”
- “Tempur-Pedic is a nationally priced item. That includes online. So if there is a sale, it’s national. And yes, it so happens we are having a sale right now until early July. Besides that, the only thing free is the delivery.”
- “One problem with Tempur-Pedic is shipping costs. The two Tempur-Pedic warehouses are in Albuquerque and West Virginia. Most other manufacturers have warehouses around Los Angeles somewhere.”

One problem with Tempur-Pedic is shipping costs. The two Tempur-Pedic warehouses are in Albuquerque and West Virginia. Most other manufacturers have warehouses around Los Angeles somewhere.

Owner, Ortho Mattress
California

Reporter Observations: On a Tuesday afternoon this store was stocked primarily with Ortho brand mattresses. Tempur-Pedic did have six displays in a small corner area, and Tempur-Pedic signs adorned the windows.

➤ **Sales associate, Ortho Mattress, California**

Tempur-Pedic's Simplicity line will not likely cannibalize higher-end Tempur-Pedic sales. [Anatomic Global Inc.'s](#) eco-friendly foam mattresses are gaining market share.

- "I'd be shocked if Tempur-Pedic's Simplicity cannibalized anything."
- "We discount Tempur-Pedics when the rest of the nation does."
- "Another brand of memory foam gaining market share is Anatomic Global. They're known for being very eco-friendly."

Reporter Observations: On a Thursday evening at this large store, 12 Tempur-Pedic products took up a large section of the floor.

➤ **Sales associate, Relax the Back, California**

Simplicity is not cannibalizing Tempur-Pedic's higher-priced models. The quality of the Simplicity model is in line with its lower price. Store sales have been steady, especially for [Tempur-Pedic's Cloud Supreme](#) models.

- "There won't be any cannibalizing from what I've seen. I mean, Simplicity's quality is right in line with its price."
- "Simplicity isn't doing as well as some of the others."
- "Simplicity is a standard memory foam—so unless price is the main issue, customers will sit on other mattresses and move away from Simplicity."
- "We carry seven different models [of Tempur-Pedic] in the store. "
- "Actually, right now the price is right—we're selling the twin for under \$1,000!"
- "Regarding the incidence of sales from people trading down to a lower-end Tempur-Pedic compared to the percentage of people buying Simplicity instead of non-memory foam mattresses—I've never seen it happen once."
- "If I had to guess, I'd say the number we sell should go up between now and Christmas."
- "Overall, store sales have been pretty steady; for Tempur-Pedic, Cloud Supremes are doing really well."
- "What I think Tempur-Pedic tried to do with the Simplicity line was bring things back to basics and offer a simpler model."

Reporter Observations: On a Wednesday afternoon, Tempur-Pedic has limited space at Relax the Back, whose inventory is split between mattresses and armchairs. Only one slot is occupied by Tempur-Pedic's Simplicity Twin (medium firmness). The store carries a total of approximately 25 mattress displays. The Simplicity model sits beside a framed, laminated spreadsheet of Tempur-Pedic pricing.

3) INDUSTRY SPECIALISTS

Four of five sources cite challenges Tempur-Pedic will face in the growing trend of green mattress technology, in which Tempur-Pedic has no presence. In addition to this challenge, sources note Tempur-Pedic faces more competitors with quality products, a history of poor relationships with its retailers and new technology developing in Europe that will enter the U.S. market in the next few years. One source notes smaller mattress stores cannot afford to carry the line anymore, which echoes comments from one of our store owners. One source speculates the brand will be sued at some point over their "toxic" mattress materials. Another says overall mattress sales will grow 4% to 6% through 2013 and another says year-over-year mattress sales as of April were up 5.4% in unit sales, and about 15% in terms of dollar value.

➤ **President of trade association; repeat source**

Tempur-Pedic's challenges include a growing number of competitors with less expensive yet solid products; unreasonable sales expectations and a poor relationship with retailers. To stay on top, Tempur-Pedic will have to concentrate on more than marketing. The company also needs to embrace green technology and the new high-resilience technology that will be coming from Europe in the next three to five years. U.S. suppliers are already eyeing this new foam. Many competitors include [Serta](#), [Simmons](#), and the European manufacturers. Smaller U.S. manufacturers include [Boyd Specialty Sleep](#) and [Comfort Solutions](#). Overall mattress sales will grow 4% to 6% through 2013.

- "I'm here at the [2012 Bedding Conference](#), and everyone is talking about Tempur-Pedic's drop in sales, but no one seems to be able to answer why ... It's probably several factors."

Tempur-Pedic

- “Overall mattress sales are up 6% in dollars and 3% to 4% in terms of units. At the end of 2011, 2012 was projected to be a great year. Now, with bad months in April and May, it is fair to good. I expect moderate growth, 4% to 6% in 2013.”
- “iComfort has had an impact on Tempur-Pedic. Serta is brilliant at marketing. They pumped millions into their marketing. That brand is growing, but it won’t last. Despite the gel, the iComfort doesn’t remain cool once it adjusts to the body. Ask any retailer, or go feel the gel. There will be a fall-out from the gel. The [polymer gel](#) has a short half-life.”
- “There was pent-up demand for memory foam, but now there are other choices. However, memory foam is not done. The market can’t keep growing at 30%. It will reach a peak, and manufacturers will have to be more reasonable about their expectations. We need to look at where it is growing from. Are the companies cannibalizing each other? Or is there a real new market?”
- “Tempur-Pedic had the lead on mattresses \$2,000 and up, and the company came out of 2010 and 2011 doing very well.”
- “Tempur-Pedic is serious about marketing. They spend millions of marketing dollars, and until now, it has paid off.”
- “People need to get the polymer gel right—make it cost-effective and layers that are not too heavy. People who get this right will do well.”
- “There is a concern about Tempur-Pedic’s arrogance. They don’t take care of their retailers; their only concern is the consumer. The retailers have very low profit margins on Tempur-Pedic’s products. They don’t even make money on the Tempur-Pedic products.”
- “Tempur-Pedic could take a lead in the environmental market and make a difference. The [SSA](#) [Specialty Sleep Association] has been trying to get them to look at environmental concerns. It is not an old boy market anymore. Women now buy and drive the product, and women are interested in green. They want good, natural materials, no gasses. Thirty percent of the market is interested in the environment, and this is growing. Tempur-Pedic should consider soy-based products.”
- “There are lots of foam competitors, and virtually every bedding company can compete with Tempur-Pedic. Simmons is very strong with their ComforPedic. It is an independent brand with a separate staff. Sealy claims they have latex. I’m not impressed with Sealy marketing. It’s too cutesy. There is a real reason why they lost market presence and leadership to Serta. Serta’s iComfort does well. All the European brands are strong. [Boyd](#), a specialty sleep store out of St. Louis, is a \$60-million business. There are others: Comfort Solutions’ [King Koil](#) and [Laura Ashley. Classic Sleep Brands](#) [LLC] bought their own plant in China so they can control the quality. [GlideAway](#) offers a lower price, with kid’s beds and an adult line, Sleep Harmony. FXI’s [Anatomic Global Inc.](#) launched a new memory foam line, [Anew](#).”
- “Europe is developing a high resilient coolant with air-flow biomaterial. It is the next foam. Suppliers are out of Italy and Spain. It is waking up all of Europe. U.S. suppliers, [FXI](#) [Foamex Innovations Inc.], [Hickory](#) [Hickory Springs Manufacturing Co.], and [Carpenter Co.](#), are starting to wake up, but there will be some lag time, maybe three to five years, before this new foam comes here. First, the Europeans need to Americanize their beds. Then the new product will compete with Tempur-Pedic unless Tempur-Pedic wakes up and embraces it.”
- “The government shut down the Chinese imports. They were garbage. That’s why some American companies started controlling their own Chinese manufacturing. They wanted to do it right.”
- “People seem to prefer latex; they want more spring.”
- “[Select Sleep Mattress](#) was in trouble before Tempur-Pedic. They have an air bed, and it is hard to replace air. We saw the company numbers go off, like barbell marketing.”
- “This is a fad-driven industry.”
- “Rumor has it that Ares Management [LLC] and the Ontario teachers’ group are putting Serta and Simmons [on the block](#). I guess you sell when Serta’s on top.”

There is a concern about Tempur-Pedic’s arrogance. They don’t take care of their retailers; their only concern is the consumer. The retailers have very low profit margins on Tempur-Pedic’s products. They don’t even make money on the Tempur-Pedic products.

President of Trade Association

➤ Executive director of trade organization

Mattress sales have increased this past year, in part because of the need to fight bed bugs. Tempur-Pedic is a well-known brand, but their products aren’t eco-friendly. Memory foam is popular, and there is increasing interest in sustainable memory foam. Competitors in the eco-friendly foam market include [Natura World](#) and [Naturepedic](#).

Tempur-Pedic

- “Mattress sales have gone up in the past year, in part because of the bed bug epidemic.”
- “Tempur-Pedic is a name that everyone knows, but they provide a hybrid latex that is a less eco-friendly product.”
- “Memory foam seems to be popular. That’s an educated guess. In the past year there has been an increased interest in green mattresses, and I hope this continues. More consumers are concerned about health and safety.”
- “Natura and Naturepedic are popular green memory foam manufacturers.”
- “Non-sustainable memory foam gives off gassing; they use formaldehyde and fire retardants, and these chemicals go into your skin forever.”

➤ Director of communications of trade organization

Year to year, units shipped in April 2012 were up 5.4%, and overall sales were up 14.5%. The specialty markets, including air, foam and waterbeds, continue to do well. There is a growing trend toward green bedding products.

- “In April, year to year, [mattress] units shipped increased 5.4% and overall sales were up 14.5%.”
- “Based on forecasts, we expect to see a slight increase in sales in 2012. Unit sales correlate strongly with housing starts.”
- “We lump the specialty markets together. This includes air, foam, waterbeds. The [specialty] market is doing very well. Memory foam has been popular for a number of years now ... it will continue to be.”
- “There is a growing trend toward being green, and manufacturers are addressing this important need, even for memory foam.”

➤ Spokesperson for organic trade association

[Tempur-Pedic](#)’s market has saturated. Smaller stores can’t afford to carry the Tempur-Pedic products any more. Tempur-Pedic beds are very comfortable, but the memory foam losses support over time. The mattresses only last five to 10 years, not close to the 20-year warranty. The foam is made of toxins, and it has caused a number of health problems. Most people aren’t aware of the chemicals.

- “The market is saturated. They can’t grow any more. Right now they are so big, but there is a limit to what they can do.”
- “Tempur-Pedic has good marketing. They’ve created a whole mystique around their brand, and they keep the problems quiet. They will be sued in the future.”
- “There have been a number of reported health symptoms with Tempur-Pedic memory foam beds. They are made from mostly petroleum products. Toxic stuff. Most people are not that sensitive to the toxins. They aren’t aware that they are sleeping on toxins. My wife had migraines for five years, and we didn’t associate it with the very comfortable Tempur-Pedic bed. First we changed her Tempur-Pedic pillow, and she could breathe better. Finally, we changed mattresses, and all her symptoms went away. The stuff is very toxic, but few people notice it.”
- “Smaller stores can’t afford to carry Tempur-Pedic. They make more demands on smaller stores, and they can’t keep up with the volume and \$1-million sales each year.”
- “Tempur-Pedic does wear down before the warranty of 20 years is up. Most people replace their mattress in five to 10 years. Over time, it takes longer to come back into shape, and the pressure-relieving qualities aren’t as effective. The memory wears down, more so with bigger people.”
- “People fall in love with Tempur-Pedic. It is such a different experience. It does a great job of relieving the pressure points, and people want to love it.”
- “We are slowly going to green, and I hope the association takes off some day.”

There have been a number of reported health symptoms with Tempur-Pedic memory foam beds. They are made from mostly petroleum products. Toxic stuff. Most people are not that sensitive to the toxins. They aren’t aware that they are sleeping on toxins.

*Spokesperson
Organic Trade Association*

➤ Creator and publisher of trade blog

Companies competing with Tempur-Pedic’s Simplicity line include [Comfort Dreams](#), [Bed in a Box](#) and [Night Therapy](#). These mattresses are denser than the Simplicity line and cost much less. Bed in a Box and Tempur-Pedic Cloud have the highest satisfaction ratings, at 86%.

- “There are several competing memory foam mattress brands [Comfort Dreams, Bed in a Box, Night Therapy] that have models one-half the price of the Simplicity. These products are the same or even better in that they have somewhat higher density. The Simplicity has 2.5 pounds/foot of density foam, while most cheaper competitors have 3.0 pounds/foot.”
- “With Tempur-Pedic’s [Higher Density \(HD\)](#) and [Cloud](#) lineups, at least they can say they use higher density foam than most competitors. But they can’t say that with the Simplicity line.”
- “According to our surveys, 86% of respondents were satisfied with Bed in a Box memory foam. That’s the highest rating [besides the] 86% satisfaction for the Tempur-Pedic Cloud.”

4) CUSTOMERS

Simplicity will not cannibalize Tempur-Pedic’s higher-price mattress sales, according to two sources. Two Simplicity buyers reported choosing Simplicity for its price and quality combination. One source returned his Tempur-Pedic after its “chemical smell” didn’t diminish. One source who initially was focused on Tempur-Pedic is now considering other brands after seeing alternatives at a mattress showroom. One source chose Serta’s iComfort, citing its better value. Our final source chose a higher-priced Tempur-Pedic with comfort a priority over price.

➤ Buyer of a Tempur-Pedic mattress who returned it, outside Chicago

The Simplicity line will not undercut Tempur-Pedic’s top-line business and will appeal to customers who cannot afford a more expensive Tempur-Pedic. This buyer initially chose Tempur-Pedic based on its great reputation but did not find it comfortable and returned it after 90 days. She subsequently bought another [Stearns & Foster Pillowtop](#) for half the price and is very happy with it.

- “The Simplicity line will not undercut business for Tempur-Pedics. It will attract people that could not afford them before.”
- “To survive, they will need a low-end line because these days, who can afford the Tempur-Pedics?”
- “People that really want a Tempur-Pedic and can’t afford it will be more apt to buy the Simplicity line.”
- “From what I hear, it seems like a lot more people are getting foam mattresses. I hear friends talk about getting Tempur-Pedics and I hear people getting the off-brands. A friend of mine got a foam mattress for \$400 and she just loves it. Even [IKEA](#) has mattresses with foam in them now.”
- “I had neck and back aches the whole time we had the Tempur-Pedic.”
- “We tend to go for the best of everything, so that is why I went right for Tempur-Pedic when we needed a new bed. Price was not a consideration in our decision.”
- “Everyone raved about Tempur-Pedic. It is the thing to do, so we got one. We didn’t look at any other brands.”
- “We bought the [Contour](#). I don’t know which one specifically. We also got the moveable frame since they are the in thing now, too. We paid around \$5,000 for the frame and mattress.”

To survive, they will need a low-end line because these days, who can afford the Tempur-Pedics?

*Customer, Tempur-Pedic Mattress
Chicago-area*

➤ Customer who returned a Tempur-Pedic mattress, in his 40s, New Jersey

There is a market for the lower-priced Simplicity mattresses given Tempur-Pedic’s reputation and the cost of its original line. But this customer returned his Tempur-Pedic after its “chemical smell” did not diminish.

- “I would assume that there is a market for a lower-priced Tempur-Pedic mattress, given the brand’s good reputation and the cost of their mattresses.”
- “We had to pay some restocking fees and that sort of thing. The mattress we ended up with was slightly more expensive. It really didn’t matter, we were very unhappy with the Tempur-Pedic mattress.”
- “We ended up with a Serta mattress. I didn’t notice the Tempur-Pedic Simplicity beds during any of our visits to the store. I wouldn’t have wanted to exchange for another Tempur-Pedic product given our experience with the first mattress.”
- “We received a free Tempur-Pedic pillow with our purchase.”

- “We initially purchased a Tempur-Pedic mattress. It was awful. My wife found it to be uncomfortable once we were sleeping on it, but the worst part was the smell. We had a 60-day window to return the mattress and gave it a couple of weeks hoping that the chemical smell would diminish. It didn’t.”
- “We recently upgraded from a queen to a king-sized bed. We loved our queen mattress—a make that we purchased several years ago at [Macy’s](#) and is no longer made.”

➤ **Simplicity mattress buyer, New Jersey**

Most customers will buy the best mattress that their budgets will allow—however, the Simplicity models offer a good alternative at a lower price point. The Simplicity line also has the advantage of Tempur-Pedic’s brand reputation.

- “I didn’t compare the Simplicity to any of the more expensive Tempur-Pedic beds. If I were buying for myself I wouldn’t be as concerned about the price but more about what is the most comfortable option and best quality for the long haul. I would think most people would feel the same way, and if their budgets allow for it they would buy a more expensive mattress if that happens to be the one they prefer.”
- “We purchased a Tempur-Pedic mattress for our bed a few years ago. We’ve been happy with it. We just went shopping for a mattress for the guest room in our new house. I hadn’t known about the Simplicity beds but was pleased to find them when we went to the store. We didn’t want to spend too much on the mattress for the guest bed—it won’t be used all that often—but since we’ve been happy with our Tempur-Pedic and know the brand we went ahead and bought the Simplicity.”
- “I much prefer a foam bed to a spring mattress. And I like a firm bed. The Simplicity was a good fit for what we were looking for.”

➤ **Simplicity buyer, California**

Price was a big factor in this family’s purchase of a twin bed, but they also wanted quality so they chose the Simplicity. They were also apparently impressed with customer testimonials about the Tempur-Pedic brand.

- “Unfortunately, price had to play a big role in our purchase, which is why we bought the Simplicity. My son is only 8 years old—it’s the perfect twin bed for him.”
- “We thought we might end up spending a little more, which is why we ended up going with the Simplicity. I think it’s comfortable.”
- “One reason we chose the Tempur-Pedic was because I’ve read a lot of positive customer testimonials about the brand, which makes me feel better about buying a product.”

“Unfortunately, price had to play a big role in our purchase, which is why we bought the Simplicity.”

Simplicity Buyer, California

➤ **Undecided buyer, Florida**

Previously unaware of the Simplicity line, this customer initially wanted a more luxurious bed from Tempur-Pedic, but after seeing all the choices in the store she is reconsidering. She will consider competitors offering the same level of comfort at lower prices, rather than the Simplicity line.

- “The Simplicity was not on our radar. We considered Tempur-Pedic and looked at them for a while, but not the Simplicity line. I didn’t even know about it until today.”
- “We are looking for something more luxurious. The [Tempur-Pedic] Cloud was what [we] were looking at today but the iComfort came up and now we have some thinking to do.”
- “Price is always a dealbreaker. We did our research and after visiting the store, there are so many more choices than Tempur-Pedic. We have to reconsider all of our options and the price will play a role. If it is less than Tempur-Pedic but just as comfortable as the Cloud we will probably go with it.”

➤ **iComfort buyer, California**

This source bought an iComfort based on a recommendation that it was a good buy for the money. She received a 10% discount.

- “Honestly, the thing that made me choose Serta’s iComfort over anything else was that my mother told me to get it. She says it’s the best buy for my money.”
- “I didn’t think I needed to go to the higher end of what was already a more costly brand.”
- “Actually, I did get a 10% discount.”

➤ **High-end Tempur-Pedic buyer, California**

This source chose a high-end Tempur-Pedic mattress with comfort a priority of price.

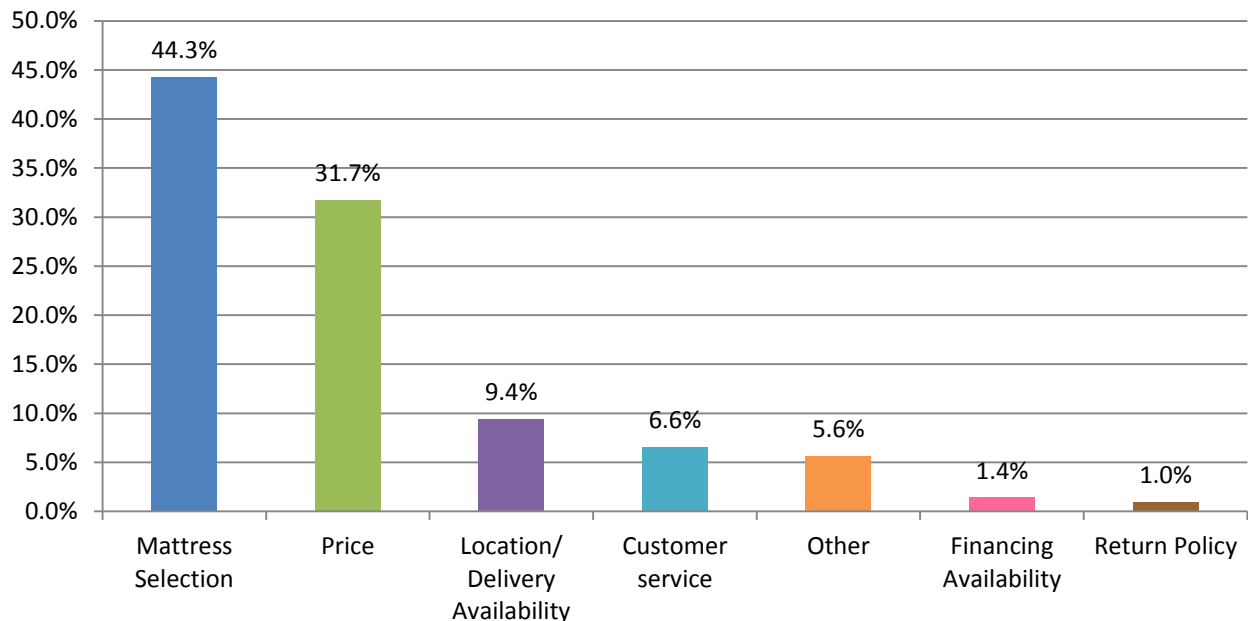
- “My choice was based only on how I felt when I sat down on it. I liked the way it felt and it ended up being the higher-end Tempur-Pedic.”
- “With a mattress I came in knowing exactly what I wanted in the way of comfort, but I didn’t have a brand name in mind.”
- “I wanted comfort over price—so I guess price didn’t play that big a role.”

5) SURVEY MONKEY MATTRESS SURVEY

In a survey of 287 respondents, mattress selection beat out price as the No. 1 factor when choosing a mattress retailer. A majority (67%) of our 287 respondents would choose a memory foam mattress over a spring mattress if price were not a factor. Of the 32 respondents who purchased a memory foam mattress in the past six months, 41% purchased a Tempur-Pedic while 22% bought a Serta. Nearly a third of respondents will most likely buy their next mattress from an independent mattress retailer. Of the 42 respondents who have shopped at Mattress Firm, 36% chose the store because it had the best selection, while 26% chose it for the best prices. Product selection and price were the top reasons given by those who shop at Mattress Firm.

➤ **What is your No. 1 deciding factor when choosing a mattress retailer?**

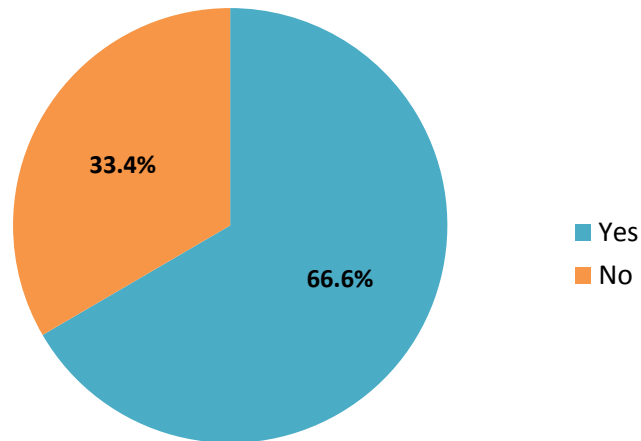
Mattress selection (44%) beat out price (32%) as the top reason when choosing a mattress retailer.



Tempur-Pedic

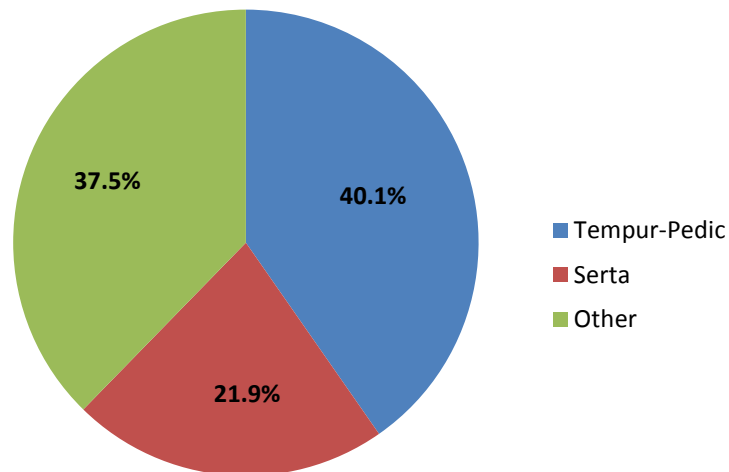
➤ **Would you consider buying a memory foam mattress if price were not a deciding factor?**

If price were no object, a 67% of our 287 respondents would choose a memory foam mattress over a spring mattress, demonstrating the potential market if “the price is right.”



➤ **If you have bought a foam mattress in the past six months, which brand did you buy?**

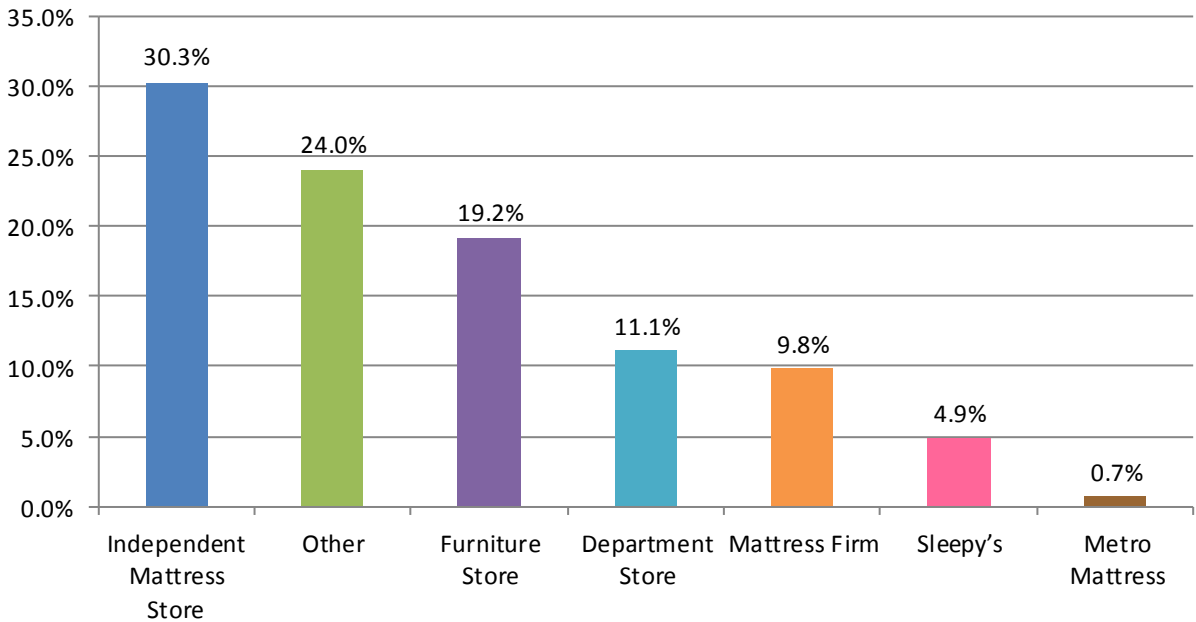
Among our 32 respondents who bought a memory foam mattress in the past six months, 41% bought a Tempur-Pedic, 22% bought a Serta, and the rest have chosen other brands.



Tempur-Pedic

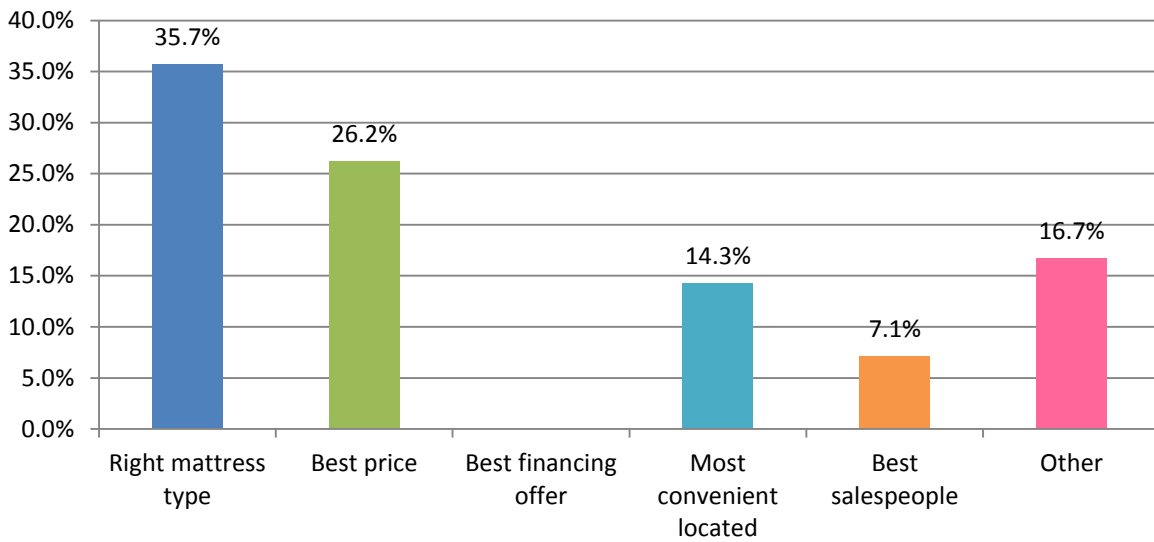
➤ **Where will you most likely purchase your next mattress?**

Most buyers will choose independent retailers over mattress chains and department stores. Furniture stores came in second as the most likely location to buy a mattress.



➤ **If you have shopped at Mattress Firm, why did you choose to shop there?**

Thirty-six percent of the 42 respondents who have shopped at Mattress Firm chose the store because of its superior selection, while 26% chose the store because of its competitive pricing.



Secondary Sources

Our first article discusses health concerns, product quality and logistical issues raised by Tempur-Pedic customers. Our second source describes the battle heating up between Serta and Tempur-Pedic, which has started discounting mattresses for the first time. Our final source describes the growing popularity of green mattress initiatives.

➤ **March 10 - June 9 ConsumerAffairs.com [posts](#)**

Quotes from Tempur-Pedic customers cite health, quality and customer service issues following their Tempur-Pedic purchases. Poor foam resilience happening well under the 20-year warranty, toxic smells causing asthma attacks and flu-like symptoms, a slow return process and promotion fulfillment issues were some of the complaints in this sample taken from posts by unhappy customers.

- “I spent \$3,150 on a twin cloud mattress. The toxic smell gave me asthma attacks and flu-like symptoms. I called five weeks ago to schedule the return. They picked the mattress up three weeks ago ... My experience with Tempur-Pedic makes me sick, literally. First, their toxic mattress. Now, their incompetent customer service and accounting departments. I do not understand how they can hold my money so long, after they have received my returned item. It was removed from my home by their delivery company three weeks ago.”
- “I spent almost \$12,000 on a mattress that smell like a dump. It has been one month, and the odor is 70% better, but the 30% drives me insane! I sleep with my window open just to keep me from hacking!”
- “Tempur-Pedic ruins back and wallet. I bought ... in the early 2000s ... We spent \$1,600 and it came with a card stock piece that said 20-year warranty! Yeah, sure, warranty. I guess when your memory foam is designed by NASA, warranty means you are screwed. I hate this company. The warranty is a joke. What you have to do to actually get it honored is insane. There has to be a four-inch sag in the bed before they will accept that it has failed. Never mind that there are two giant hammock-shaped divots where my wife and I sleep. It's like sleeping in sand—that hurts.”
- “The promotions departments and customer service do not care about assisting with the problem. If you are offered a promotion with a purchase, beware. If you decide to use the offer, send it so the information can be tracked. Be sure to insist that it must be signed for. Even with all of that, I doubt you will see the promised product.”

➤ **June 2012 HubPages [post](#)**

This article discusses Tempur-Pedic's discounting of its Cloud model, the first discount Tempur-Pedic has ever done. The discount is perceived to be in response to its new formidable competitor, Serta.

- “TempurPedic announced an upcoming sales promotion on one of their mid- to high-end mattress lines. Discount rates of 12% to 17% will be applied to their Cloud Supreme models. ... So what? Mattresses go on sale all the time...right? Sure! But not Tempur-Pedics. In fact, this is the first known sale promotion for Tempurpedic—ever.”
- “Unfortunately for Tempurpedic (but fortunately for consumers), a new competitor entered the arena just six months ago. That competitor? Serta.”
- “The iComfort gel beds are offered at a much lower price than Tempur-Pedic mattresses. They also offer some pretty lucrative benefits for the purchaser. The life expectancy is about the same, the in-home trial is very similar, and some consumers are reporting that the iComforts are, well, more comfortable. What's more, the iComfort took a shot at eliminating the most common complaint among foam mattress owners—heat dissipation problems. All of this adds up to some really big trouble for Tempur-Pedic.”

➤ **June 8 Ventura County Star [article](#)**

Green mattresses are gaining awareness among consumers as they can contain retardants, hypo-allergenic, mold-resistance and breathable materials.

- “Consumers are demanding green mattresses, and manufacturers are responding with a wide variety of environmental initiatives.
- “Most people are familiar with materials such as organic cotton and wool, but other natural materials are growing in popularity. Chief among these is latex, made from the sap of rubber trees primarily in Indonesia and

Malaysia. Latex is hypoallergenic, breathable, mold-resistant and renewable (sap is drawn without cutting down trees).”

- “Customers’ environmental concerns mostly center on their own health, so they look for natural materials. Most people are familiar with materials such as organic cotton and wool, but other natural materials are growing in popularity. Chief among these is latex, made from the sap of rubber trees primarily in Indonesia and Malaysia.”
- “Natural products can also be used as fire retardants, which have been required in mattresses since 2007.”
- “The [California] state Legislature may soon consider Senate Bill 1118, which would require mattress stores to collect a \$25 recycling fee for every mattress sold. Mattress industry associations are supporting similar but less costly legislation on the national level.”

Additional research by Dann Maurno, Renee Euchner, Tina Strasser, Maggie Purcell, Erica Franklin and Debbie Moss

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