

## Foam Converts Choose Serta iComfort; Tempur-Pedic Buyers Remain Loyal

Companies: TPX, ZZ

December 8, 2011

Research Question:

**Will Serta's new iComfort memory foam sleep system take market share from Tempur-Pedic at U.S. retailers that have carried both brands for the past three to four weeks?**

### Summary of Findings

- Slots for Serta Inc.'s [iComfort](#) ranged from two to 10 among all 11 stores (represented by 15 sources for chains with more than 1,300 stores overall) carrying the sleep system. [Tempur-Pedic International Inc.](#) (TPX) held four to 10 slots for all 17 sources, including two whose chain did not yet carry iComfort.
- Four of 15 sources carrying iComfort plan to add more slots for the brand.
- iComfort has outsold Tempur-Pedic units for five sources, has undersold its competitor for five others, and has been on par with Tempur-Pedic sales for two sources. The remaining three sources selling both brands had no comment.
- Ten sources said customers choosing iComfort over Tempur-Pedic have been swayed by price. Eight also said Serta's [Cool Action Gel Memory Foam](#) was a selling point.
- First-time foam mattress buyers tend to choose iComfort, but Tempur-Pedic customers are remaining loyal to the brand.
- Seven sources said Tempur-Pedic's brand awareness remains prominent, thanks to [endorsements](#). Four said Serta needs to increase its iComfort advertising.
- Two retailers, one representing more than 400 stores and the other with four stores, said Black Friday sales of mattresses overall more than doubled year to year.
- One independent retailer with four locations said Tempur-Pedic representatives have been in the store to question the brand's declining sales. This source also said Tempur-Pedic vendors want retailers to buy six samples, up from two samples in previous years.

### Thesis and Approach

The purpose of this report was to determine stores' number of slots for iComfort and Tempur-Pedic, the sales ratio of iComfort to Tempur-Pedic, and iComfort's performance and market penetration in the foam mattress category in which Tempur-Pedic historically has held the dominant position. Blueshift employed its pattern mining approach to establish and interview sources in two independent silos:

- 1) Specialty mattress retailers (17)
- 2) Secondary sources (2)

We interviewed 17 primary sources, including two representing the same chain that does not yet sell iComfort, and included two of the most relevant secondary sources focused on the mattress business' increased strength and on iComfort reviews.

### Silos

#### 1) SPECIALTY MATTRESS RETAILERS

Among the 15 sources representing 11 chains selling both iComfort and Tempur-Pedic, the average slot ratio was 5:9, respectively. Four of these 15 sources expect the number of iComfort slots in their stores to expand. Price has been a selling point for iComfort over Tempur-Pedic, according to 10 sources. Seven also said iComfort's cooling technology attracts

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customers. Although Tempur-Pedic benefits from multiple endorsements, it is feeling pressure from Serta's better relationship with retailers and iComfort's rising sales. Indeed, one source said Tempur-Pedic sales dropped 30% after selling iComfort for nine months, prompting a visit from Tempur-Pedic vendors. Another source reported receiving a small bonus for selling iComfort but nothing for Tempur-Pedics. Most iComfort purchases come from first-time foam mattress buyers while Tempur-Pedic customers tend to remain loyal to the brand. Two sources do not yet carry iComfort, but most sources expect memory foam mattress demand to grow and eventually to overtake coil mattresses. Two sources said Black Friday sales of mattresses overall doubled year to year.

### ➤ Owner of four specialty mattress stores, California

This owner usually dedicates five slots to iComfort and seven to Tempur-Pedic. Tempur-Pedic sales have dropped 20% in the nine months the small chain has carried iComfort. One of the four stores sold 800 iComforts and 360 Tempur-Pedics. Company vendors have been in the stores asking about the lower sales figures. Tempur-Pedic also now expects retailers to buy six samples, compared with two samples in years past. Black Friday sales grew from \$13,000 in 2010 to \$30,000 in 2011, which this source attributes to the iComfort. He believes Serta needs to advertise more.

- "We usually have five slots of iComfort and seven slots of Tempur-Pedic in our stores. We sell a lot more iComforts—a lot more. But I have to keep the Tempur-Pedic in stock."
- "We've been selling iComfort since March, so that is almost nine months. In that time, I've sold—just this store—almost 800 iComforts and 360 Tempur-Pedics, all models. Generally, I sell 60% more iComforts. They are really taking off. I place orders twice a week, and I always order more iComforts."
- "Tempur-Pedic sales are down 20% this year. It has all been picked up by iComfort. ... And some customers who usually buy midrange to high-end mattresses have also bought iComfort."
- "Roughly, my sales are two-thirds iComfort and one-third Tempur-Pedic. I'm guessing \$165,000 for iComfort and \$53,000 for Tempur-Pedic."
- "I earn 59% of an iComfort sale and 54% of a Tempur-Pedic sale in a perfect world. Usually, the spread is around 4%."
- "Usually I have sales of \$13,000, but this [Black Friday] weekend I'm selling around \$30,000, thanks in part to iComfort."
- "This is the first time ever that Tempur-Pedic has had price pressure, and we'll see what happens. We can't do promos, but we do what we do and try to get around that in the store and do other benefits."
- "The entry-level iComfort queen is around \$1,100 while the entry-level Tempur-Pedic is \$1,800."
- "The standard queen iComfort is priced at \$1,799. To get the same type of product in Tempur-Pedic, you have to pay \$3,000. For \$3,000 at iComfort, you get the [Renewal \[Refined\]](#), with hard layers in it for bigger people."
- "The Tempur-Pedic mattress has two main problems. First, some people tend to get stuck in a hole. They find it hard to move. And second, their mattress is hotter. I've had people return these mattresses for these two reasons."
- "The iComfort feels like the real thing. It takes away all the objections of a Tempur-Pedic: the hole, the heat. The iComfort is cooler and has good rebound, good memory."
- "I've only had one heat complaint [with iComfort]. That's amazing because heat is an issue with the Tempur-Pedic beds."
- "People do return the iComfort mattress more often than the Tempur-Pedic, but generally it is because they've decided the new technology is not for them. They are the standard-mattress-and-box-spring kind of people. It takes people a while to acclimate to the new mattress."
- "Tempur-Pedic is scared, and they are starting to grab at strings to hold onto sales. They're in trouble, and they know it. But they aren't doing it right. In July, they tapered out of their deluxe and classic mattresses, two big sellers for me. Classic customers ... tend to buy other Tempur-Pedic mattresses too. Instead, Tempur-Pedic replaced both of these mattresses with an inferior product, and they charged more."
- "Tempur-Pedic is freaking out. They've been coming into the store asking about the lower sales. They want to move things around, bring in more models, have me do advertising. They are very heavy-handed."
- "There are 8,000 Tempur-Pedic dealers in the country. They force every store to buy two new samples or 16,000 beds every year. And they use these high numbers to fudge high sales. They don't account for stores buying

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*Owner, Four Specialty Mattress Stores  
California*

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these mattresses. And you have to buy them in order to carry Tempur-Pedic in your store. They usually have two or three new samples a year, but this year, they want us to buy and sell six new samples. This will just confuse the customer. My guess is that Tempur-Pedic has a chink in its armor now, with iComfort.”

- “Buying new samples is a problem because most of their dealers are smaller. It costs a lot to bring in new floor samples. We have to discount the older mattresses to sell them, and then we have to move everything around on the floor. We lose a lot of money that way. With four stores, we can’t afford to keep buying new samples.”
- “You won’t hear this from the other guys, the sales clerks. They don’t know all the ins and outs. But Tempur-Pedic is ... awful. If I could get rid of them, I would. They do nothing for the dealer—no advertising help and lower margins. I have a lot of fatigue with Tempur-Pedic. I’m sick of them.”
- “They are very arrogant and offer no support. I suppose they offer adequate set-ups for larger dealers.”
- “But here’s the catch and why I can’t get rid of them: They do advertising, and they draw customers in. People come in asking about the Tempur-Pedic, and it looks good if I carry the mattresses. It gives me credibility, and sales are affected by this.”
- “They are worldwide. ... The international group takes care of problems. We had a customer who had problems with this box, and I called up the international group and they took care of it right away.”
- “I’m looking for the point that iComfort will take hold. Serta needs to put more advertising pressure on Tempur-Pedic.”
- “I’m a little disappointed that Serta hasn’t done as much advertising as I would have hoped, and I hope they will pick it up. When the iComfort came out it May, right before Memorial Day, they marketed the mattress and had audiovisuals out. But [Sears \[Holdings Corp./SHLD\]](#) did a good job of advertising over Memorial Day, and we had people come in here asking about the mattress because of the Sears ads. That’s the first time I had cross-shop sales.”
- “Serta offers a standard 25-year [warranty](#). And you have 120 days to return the mattress if you are dissatisfied. Tempur-Pedic only offers a 90-day return.”
- “Serta offers a larger warranty, and the mattress is a better story. We get a lot of support from Serta, and we earn a bit more money.”
- “Serta is very good about taking care of any floor damages. If a kid jumps around and dirties a bunch of covers, they will replace them, no questions. But Tempur-Pedic doesn’t do any of that.”
- “I think Serta has a hard time keeping up with the demand. My last order was almost all iComfort.”

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*Owner, Four Specialty Mattress Stores  
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### ➤ Store manager for a mattress chain with more than 400 locations, Illinois

The chain carries eight Tempur-Pedic models and five iComfort models, but this source sells double the number of iComfort units as Tempur-Pedics weekly because of iComfort’s lower prices and longer trial periods and warranty. Most iComfort buyers are recent converts from traditional coil mattresses. Tempur-Pedic customers remain loyal to the brand. Black Friday sales for the chain doubled year to year.

- “We had an awesome Black Friday. We did two times the amount of business that we did on Black Friday last year. That was companywide too.”
- “We have mattresses that meet every price point and income level.”
- “The whole market segment for high-quality gel beds is growing. Tempur-Pedic created the market, and dozens of companies are trying to copy them and put out their own version of the beds. But nothing compares to the Tempur-Pedic material. No competitor has been able to duplicate and make a product that is better than Tempur-Pedics. They just don’t measure up.”
- “One of the biggest advantages and draws of the gel mattresses is that they are energy-absorbing and there is no motion transfer. When you

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*Store Manager  
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are sleeping and get out of bed, it does not disturb your partner at all. The mattress does not move or sink like a traditional coil mattress. People really love that feature.”

- “iComfort promotes that it will keep you cool, but that does not necessarily means that it’s the only mattress that does.”
- “We got in the iComforts in March. The company started to do aggressive advertising in the summer, so sales really picked up once the promotional campaign began.”
- “When a person is a Tempur-Pedic customer, they are very brand-loyal. When they come in, that is the only thing they want to look at and that’s what they buy.”
- “If a person comes in and has tried a Tempur-Pedic previously, like at a friend’s house, and they don’t like it, their mind is made up. So, when they come in, they don’t even look at the Tempur-Pedics. Those are the people that go with an iComfort or one of the upper Serta lines.”
- “People who are used to the traditional coil mattress do have a hard time getting used to the gel mattresses. They are more apt to stick with a high-quality coil or they go into the iComfort. The price point is lower than for the Tempur-Pedic, so it is less of an investment in the mattress if they should end up not really liking it.”
- “Since we have had the iComforts in, Tempur-Pedic sales have not really changed. They may have dropped slightly, say 5% at most. Most of the sales are being pulled from the high-end traditional mattresses we have. For the same amount of money, people can try a gel mattress and end up going with an iComfort. The Tempur-Pedics are generally more than they want to spend.”
- “We sell about 25 to 30 iComfort mattresses a week at least. With Tempur-Pedic, we sell between 12 to 15 units per week.”
- “The price point for the Tempur-Pedic is in most cases about \$1,000 higher than the iComfort so although we may sell less of them, they are more profitable and generate higher sales figures due to their higher cost.”
- “In the iComfort, we have five models on the floor plus a floor model in the Genius queen that we just cleared to sell. It is regularly \$1,599, and we are selling this floor model for \$1,069.99.”
- “We have eight models of the Tempur-Pedics on the floor. ... We have three lines: the [Contour](#), the [Cloud](#) and the [HD](#). In the Contour line, we carry the Contour, Select and Signature. In the Cloud line, we have the Cloud, Cloud Supreme and Cloud Luxe. And within the HD, we have the HD Rhapsody[Bed] and the HD Allura[Bed]. The only one we don’t have on the floor is HD GrandBed and a few special-order items.”
- “The best-selling iComfort is the Genius which is the firmest model, followed by the iComfort Revolution.”
- “The Tempur-Pedic Cloud Supreme is our best seller [nationwide]. The HD Rhapsody used to be the hot seller.”
- “When Serta came up with iComfort, in addition to the unique gel material they are using, they had to come up with ways to entice customers away from Tempur-Pedic. So they have a longer trial period than the Tempur-Pedics and they cost less. The warranty on the iComfort is also better, at 25 years versus the 20-year warranty Tempur-Pedic offers.”
- “You can’t go wrong here, especially with our trial periods. For Tempur-Pedic, you get a three-month trial, and with iComfort you get four months.”
- “I had one customer who was looking at premium mattresses ... and was willing to spend upwards of \$15,000. They ended up coming in and purchasing a \$4,000 Serta Perfect Day mattress and said it was the most comfortable one they tried. And it saved them thousands of dollars. They were thrilled.”

People who are used to the traditional coil mattress do have a hard time getting used to the gel mattresses. They are more apt to stick with a high-quality coil or they go into the iComfort. The price point is lower than for the Tempur-Pedic, so it is less of an investment in the mattress if they should end up not really liking it.

*Store Manager  
Mattress Chain (400+ Locations)  
Illinois*

Reporter Observations: The Tempur-Pedics were in a middle row aisle on the right while Serta coil mattresses were on the left side of the store. Five iComfort models were set up side by side on the right side of the store. Only one associate and no customers were in the store during Blueshift’s one-hour visit on a weekday afternoon. Two small neon signs were in the window, one for Serta and one for Tempur-Pedic. A large banner in the parking lot advertised a Serta mattress sale.

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## ► Store manager for a mattress chain with more than 400 locations, Illinois; same chain as previous source

iComfort and Tempur-Pedic are neck-and-neck and posting strong sales. iComfort started out slow but now is “flying out the door.” Tempur-Pedic remains more popular because of its longer-standing reputation. The store carries five models of iComfort and eight of the nine Tempur-Pedic mattresses, and makes a larger profit off the Tempur-Pedics.

- “We have five models of iComfort and eight of the nine models of the Tempur-Pedic. All of our stores have these models on the floor.”
- “Sales of the iComfort and the Tempur-Pedics are pretty even. We sell a lot of both of them.”
- “Sales are good for both iComfort and Tempur-Pedic. They are very similar products. It really just depends on the person and which one is more comfortable for them.”
- “Tempur-Pedic scored a home run last year with their Cloud line. They are flying off the shelves.”
- “Sales of the iComfort started slow, but now they are flying out the door.”
- “Sales of the iComfort picked up when we started running the national ad campaign a few months ago. Word of mouth is helping too. More people are starting to know about it.”
- “If a customer comes in as a Tempur-Pedic customer, it is against our rules to show them and push the iComfort. But if they are unsure of what to buy or they come in with complaints about Tempur-Pedic, we can then show them the iComfort.”
- “I feel the sales of the iComfort will continue to increase with time. The only thing that will slow it down is when Tempur-Pedic comes out with their next, new thing.”
- “We have had no complaints about the iComforts so far. Everybody that is buying them really loves them.”
- “The Tempur-Pedic is still more popular than the iComfort just based on the fact that it has been around much longer and they have a really good reputation.”
- “We make more money off the Tempur-Pedics because they usually cost more than the iComforts.”

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Reporter Observations: During our midday visit on a Wednesday, only the store manager was present. The Tempur-Pedics were lined up to the right. The iComforts were at the rear of the store, displayed side by side. The store advertised a Serta mattress sale through a window sign and had a small neon Serta sign.

## ► Store manager for a mattress chain with more than 400 locations, Oregon; same chain as previous source

This store has had iComfort for seven months, with five dedicated slots compared with nine for Tempur-Pedic. iComfort sales have been even with Tempur-Pedic for this franchisee but are 3:1 companywide. The source expects iComfort to increase its prices after the first year and, like Tempur-Pedic, will not offer discounts because of the proprietary gel technology. Tempur-Pedic customers are repeat buyers, but iComfort appeal to customers new to memory foam because of the price difference.

- “My sales are pretty even. The company as a whole probably does 3:1 iComfort to Tempur-Pedic.”
- “We carry the entire line of iComfort—five slots—located on the back wall. We carry nine of the 10 Tempur-Pedics available to stores located on the right wall.”
- “We are a Serta supply line store except for the Tempur-Pedic. In the Northwest, Tempur-Pedic is a huge name and we needed to carry it in order to be a relevant retailer.”
- “Tempur-Pedic offers various promotions: \$200 off a king set, three-year financing, and buy two pillows, get one free. iComfort is offering two free pillows with any mattress purchase. Tempur-Pedic makes their own foam. Serta is making their own gel-infused product, which is more unique than buying from a foam company like the other memory foam mattress makers. My feel is this will be the [iComfort] pricing for the first year, but it will go up.”
- “In the five years I’ve sold mattresses, I’ve had maybe two people trade down from a Tempur-Pedic. One guy just didn’t like memory foam, and the other person thought it was too firm but that was before they introduced the Cloud line. The only return I’ve had so far on an iComfort is they had to step down [within the line] for comfort.”
- “Most customers with Tempur-Pedics buy another one. They’ll only buy something else if it’s for a second room or for their kids.”

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- “iComfort has a soy-based foam core [under the gel]. It’s a bit more biodegradable which, theoretically, is better. Tempur-Pedic is completely polyurethane. The iComfort smell is not as strong. I tell my customers to expect a smell with both and to walk on them when they first get them, then take off the sheets during the day to let them breathe.”
- “People ask what the difference is, and I tell them that Tempur-Pedic is tested and tried, and they have a 20-year warranty. The iComfort is new and they’ve done about seven years of testing—a bit newer than with the other memory foams.”
- “People say Tempur-Pedics run hot. I sleep on one myself, and I don’t think that’s the case.”
- “Tempur-Pedic doesn’t have arch support. There’s the heat thing. The amount of petroleum—people here in the Northwest are ecologically minded. The adjustable base—the iComfort base is beautiful compared with the Tempur-Pedic, and you can buy a queen adjustable for the same price as a queen nonadjustable Tempur-Pedic.”
- “The iComfort has a pretty set-up. ... It’s an attractive product.”

## ► Sales associate for a furniture chain with more than 90 locations in the Northeast

This store carries the Tempur-Pedic, iComfort and Simmons Bedding Co.’s [ComforPedic](#) foam mattresses. It has carried the iComfort for only six weeks, but sales have been strong. The store started with two iComfort slots and recently added two more slots. Tempur-Pedic holds 10 slots and is the best seller because of its name recognition and endorsements. On average, the store sells four to six iComfort mattresses and eight to 12 Tempur-Pedic mattresses each week. This source reported receiving a small bonus for each iComfort sale but nothing for a Tempur-Pedic sale. Only one person specifically has asked for the iComfort while most shoppers know the Tempur-Pedic name. However, this source expects iComfort to take share from Tempur-Pedic because of an aggressive TV ad campaign and the lower price points. Serta should seek endorsements to boost sales even further.

- “Tempur-Pedic is still our best-selling foam mattress. It has great name recognition, and the medical community endorses it. You can’t believe the number of people that come in here saying, ‘My doctor told me to get a Tempur-Pedic mattress.’”
- “We have had the iComfort for about six weeks, and it is selling very well. Customers like the lower price and the cooler feel of the mattress.”
- “I think the product launch is going very well. There is solid television advertising. I expect iComfort will take market share from Tempur-Pedic. If they can get a doctor or medical endorsement of some kind, they could take a lot of share.”
- “I get a small ‘spiff’ for selling the iComfort and a pat on the back when I sell the higher-priced Tempur-Pedic ... I really don’t know the profit margins on each mattress.”
- “I like having the option of directing a shopper from the Tempur-Pedic to the iComfort if it is obvious that they are put off by the price.”

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*Sales Associate  
Furniture Chain (90+ Locations)  
Northeast*

## ► Sales associate for a furniture chain with more than 90 locations in the Northeast; same chain as previous source

The source has five Tempur-Pedic slots and four iComfort slots. Customers are choosing iComfort over Tempur-Pedic because of price, but sales of the two brands are about the same because of Tempur-Pedic’s price point.

- “We’ve had the iComfort for about three months. We have five slots for the Tempur-Pedic and four slots for the iComfort.”
- “So far, so good for iComfort sales but not great because we carry so many mattresses. They’re catching up though.”
- “Because of the price of the Tempur-Pedic, our sales are about even. iComfort offers a nice mattress for \$1,100.”
- “People know less about the iComfort. There are 24/7 Tempur-Pedic commercials.”
- “People choose the iComfort because of price. People will find a reason not to buy the most expensive thing. For Tempur-Pedic, it’s the heat issue but it’s just an excuse. iComfort may wind up doing well because of the gel and other materials, giving people the excuse to buy the cheaper mattress.”

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## ► Sales associate for a furniture chain with more than 90 locations in the Northeast; same chain as previous source

This location has two slots for iComfort and seven or eight for Tempur-Pedic. iComfort is still new to the store, which only sells two of the brand's mattresses each week compared with 10 Tempur-Pedics. Customers are starting to lean toward iComfort because of its slightly lower price point. The source expects holiday sales to increase 5% to 7% year to year.

- "For iComfort, we have two slots. Tempur-Pedic, we have about seven to eight spots."
- "iComfort is fairly new, so we're selling only one or two per week compared to 10 per week of the Tempur-Pedic. iComfort needs to just push a little bit more on the advertising. Tempur-Pedic is constantly out there; they're always pushing it and you see their commercials everywhere."
- "iComfort has to be out there a little bit more. A little bit more advertising, the good things about the iComfort. They have to describe them, tell people they're new and a good company, to try them out."
- "Customers are leaning toward the iComfort because of price point. The disparity between the two price points is just a couple hundred dollars. Your low-end Tempur-Pedic is about \$1,200, \$1,300. The same thing is \$1,200 for an iComfort."
- "People aren't trading down from one mattress to the other. They're pretty much getting the same feeling. The only difference between the Tempur-Pedic and the iComfort is the motion sensor that Tempur-Pedic actually provides. So, when someone gets up from the bed, you don't feel that motion transfer coming in."
- "We're probably up another 5% to 7% based on the last couple of months [of the year]."

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*Sales Associate  
Furniture Chain (90+ Locations)  
Northeast*

## ► Sales associate for a mattress chain, Florida

This store has been steadily selling iComfort along with Tempur-Pedic beds for six months. iComfort has two slots while Tempur-Pedic has 10. Three to four out of every 10 customers who purchase a memory foam mattress are purchasing an iComfort based on promotions, warranty and a slightly lower price. Tempur-Pedic benefit from a strong brand name.

- "We have carried iComfort for six months. It's going. They are holding their own compared to Tempur-Pedic."
- "There are two iComfort models and 10 Tempur-Pedic on the floor. I believe all of the locations have at least one iComfort."
- "Out of 10 people who want a memory foam mattress, three to four get the iComfort."
- "I think [iComfort] will take some market share away from Tempur-Pedic, but right now we are still selling more Tempur-Pedic."
- "[iComfort customers are] mostly people who want the memory foam but want to stay cooler. The iComfort's gel fills that need."
- "The majority of those buying it are customers who are moving away from the spring mattress, but Tempur-Pedic usually wins over half the time because of the brand name."
- "The only time a customer has gone from wanting a Tempur-Pedic is that they sleep hot or it is a little less money. Two sales went with iComfort because the warranty is longer than Tempur-Pedic's. And the two free pillows are a great incentive."
- "I make the same amount no matter what I sell. Serta did give incentives to us in the beginning; that was short-lived. I don't know the gross profit we make per bed."

Reporter Observations: All wall signs were for Tempur-Pedic. iComfort beds were placed separately from the Tempur-Pedics. Signs promoting the two free pillows were next to each iComfort model.

## ► Store manager for a 26-location chain, California

This store has sold iComfort for nine months, and currently has 10 slots for the brand and 18 for Tempur-Pedic. The source reported selling one of each per week, but more customers have shown interest in iComfort's lower price and cooling technology. No Tempur-Pedic owners have switched to iComfort, whose customers typically are new to memory foam mattresses.

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- “We have had the iComfort beds for about nine months. We started with just four of the iComfort beds, and now we have 10 models compared to 18 of the Tempur-Pedics.”
- “Sales for both beds are about even. We sell maybe one per week on average.”
- “I think we will probably add more iComfort beds in the next year. It will depend on end-of-year sales.”
- “I don’t think we have had any customers who already own a Tempur-Pedic buy an iComfort. Most of the iComfort sales that I have handled are for people wanting to go from a regular spring mattress to the foam bed.”
- “Most of the iComfort sales are coming primarily from customers who come in to see the different options, know about the Tempur-Pedic but then find out about the iComfort and like the price difference.”
- “Some prefer the Tempur-Pedic because of its brand recognition and the longevity on the market. But other customers, mostly new to the memory foam mattresses or alternatives to spring mattresses, really like the gel technology. ... Some say the Tempur-Pedic swallows you up a little too much or that the break-in time is longer than with the iComfort beds.”
- “We really do not hear a lot of complaints at all about either of the two beds. Most of the repeat customers for the Tempur-Pedic are buying for another family member because their bed is only a few years old and they last for quite a while.”
- “We do get incentives from the two brands annually for selling a certain number of the beds.”

I don’t think we have had any customers who already own a Tempur-Pedic buy an iComfort. Most of the iComfort sales that I have handled are for people wanting to go from a regular spring mattress to the foam bed.

*Store Manager  
Furniture Chain (26+ Locations)  
California*

**Reporter Observations:** Our Sunday afternoon visit found no signage for either sleep system. The iComfort line was directly adjacent to the Tempur-Pedic beds and against the store’s back wall and window.

## ➤ **Mattress department manager for a five-store furniture chain, Pennsylvania**

The store started carrying iComfort six months ago. The line now occupies four slots, compared with eight for Tempur-Pedic. An additional iComfort slot is being prepared. The store sells three to six iComfort mattresses every week, but Tempur-Pedic outsells iComfort almost 2:1. The main driver for Tempur-Pedic is physician recommendation. iComfort benefits from a lower price and the gel technology. Tempur-Pedic will remain the market leader for a long time because of its high-quality product and its satisfied customers. iComfort buyers are new to foam mattresses. The source praised the brand’s sales representative. One customer exchanged a Tempur-Pedic for an iComfort because of temperature issues.

- “We got our first shipment around Memorial Day, and the product has been doing very well for us.”
- “Serta is a good company, and we get excellent service and support from our sales rep.”
- “Of course, there is always the price issue, which does motivate some buyers to focus on the iComfort.”
- “Tempur-Pedic outsells the iComfort because of recommendation from doctors, and I know it has helped customers with their back pain.”
- “I approach the sale of these products in this way: If the customer’s motivation for looking at a mattress is to eliminate pain, I suggest the Tempur-Pedic. If they talk about foam mattresses being hot, I suggest the iComfort.”
- “Even though the iComfort is a good product, I know my next mattress is going to be a Tempur-Pedic. The proven health benefits have won me over.”
- “We don’t have any problems with returns of these mattresses. I did have one person recently return a Tempur-Pedic and exchange it for an iComfort because of the heat issue. The whole heat issue is really not much of an issue, but it is out there and you have to deal with it when a customer brings it up. If they can’t get over it, I show them the iComfort.”

I approach the sale of these products in this way: If the customer’s motivation for looking at a mattress is to eliminate pain, I suggest the Tempur-Pedic. If they talk about foam mattresses being hot, I suggest the iComfort.

*Mattress Department Manager  
Furniture Chains (Five Locations)  
Pennsylvania*

# Serta Inc.'s iComfort vs. Tempur-Pedic International Inc.

## ► General manager for a small mattress retailer, California

This store has five slots for iComfort and likely will expand to 10 slots, compared with only four Tempur-Pedic slots. The source said Tempur-Pedic sales are waning.

- “We received five iComfort beds about six months ago, and I’ve sold three so far. People seem to be attracted to the price. Even though we’ve got Tempur-Pedics, we only usually have about three or four in the store at any time because we are known for being more of a traditional mattress retailer.”
- “I have sold a couple of the Tempur-Pedics in the last six months, but they seem to be waning.”
- “Of the three customers who bought the iComfort beds, not one has said they were trading from a Tempur-Pedic. I know the Tempur-Pedic beds last for several years, but their prices are really high for this economy.”
- “Most folks are buying spring beds here at this store. Memory foam beds are attractive to customers, but they also worry about durability.”

Reporter Observations: The store had a small iComfort sign in the window. On a Wednesday at 5 p.m., several couples were looking at spring beds. The store was well-stocked but slightly disorganized.

## ► Store associate for a two-location mattress company, California

This store stocks all Tempur-Pedic mattresses. Customers ask for the brand by name. The store also carries three iComfort models and expects to add a fourth. iComfort is gaining awareness but not on the scale of Tempur-Pedic. iComfort buyers are new to memory foam mattresses; Tempur-Pedic owners tend to be very loyal. Memory foam mattresses in general are gaining in popularity.

- “We’ve had the iComfort since they first came out about a year ago.”
- “We have three iComforts and will be getting a fourth soon. We carry all the Tempur-Pedics.”
- “We sell significantly more Tempur-Pedics than iComforts. iComfort is catching on, but Tempur-Pedic has such a big lead because it is so recognizable and does so much advertising. You barely see anything promoting the iComfort. iComfort will gain ground on Tempur-Pedic in the next couple years, but it will never overtake it.”
- “Virtually no one trades down from Tempur-Pedic for the iComfort. Almost all iComfort buyers are first-time memory foam mattress buyers.”
- “Some people do come in here asking for the iComfort.”
- “One advantage to the iComfort is that it is gel-infused so there is no break-in period. No matter how soft your Tempur-Pedic bed is, it’s going to be hard for the first 100 nights on it while you break it in. To counteract that, we’ll jump on it in our bare feet for 15 minutes a night after we close when we get a new shipment just to soften up the Tempur-Pedics.”
- “Tempur-Pedics don’t sleep hot like they used to. That was maybe for the first two years, but it can’t seem to shake that reputation. But the gel-infused iComfort definitely doesn’t sleep hot.”
- “This trend in memory foam mattresses is growing. There is a lot more competition, and everyone is making them. It’s the best way to sleep. In 20 years, everyone will be sleeping on a memory foam bed.”
- “iComfort has sent us some mattresses that are two to three inches off, and I’ve never gotten an explanation for why or an answer for what I am supposed to do with them. Being one inch off is common and somewhat understandable and acceptable, but not three [inches].”

Reporter Observations: Seven Tempur-Pedic mattresses were on display at the front of the store, accompanied by large signs. The three iComfort mattresses were off to the side and had very little signage.

We sell significantly more Tempur-Pedics than iComforts. iComfort is catching on, but Tempur-Pedic has such a big lead because it is so recognizable and does so much advertising. You barely see anything promoting the iComfort. iComfort will gain ground on Tempur-Pedic in the next couple years, but it will never overtake it.

Store Associate  
Mattress Company (Two Locations)  
California

This trend in memory foam mattresses is growing. There is a lot more competition, and everyone is making them. It’s the best way to sleep. In 20 years, everyone will be sleeping on a memory foam bed.

Store Associate  
Mattress Company (Two Locations)  
California

# Serta Inc.'s iComfort vs. Tempur-Pedic International Inc.

## ➤ Co-owner of a two-store mattress chain, Massachusetts

This retailer has five slots dedicated to iComfort and seven to Tempur-Pedic. iComfort outsells Tempur-Pedic 8:2 per week. The source has never had an iComfort returned but said a few Tempur-Pedics have been returned. iComfort's cooling properties and lower prices are selling points.

- "We had five slots on the floor for iComfort and seven Tempur-Pedic."
- "iComfort outsold Tempur-Pedic, hands down. We sold maybe eight iComfort a week to two Tempur-Pedic."
- "I don't think anyone considered iComfort a trade down from Tempur-Pedic either. One I guy had a Tempur-Pedic that he liked fine, but said he wanted the coolness of the iComfort."
- "Most customers found iComfort comparable in feel to the Tempur-Pedic, but it was less expensive."
- "No one has ever returned an iComfort. They rave about it. I had a couple of people return the Tempur-Pedics because they complained that chemical odor didn't go away."
- "A few others returned the lower-end Tempur-Pedics. They were finding they had pressure points, like on their shoulders or their hips. Any model has a good, better and best, but the Tempur-Pedic low-end didn't seem that [high] quality a product."
- "I sell the [Simmons] ComforPedic. They're all just different in their own ways, but they're all pretty [good] quality at that level. The difference was in the foams themselves."
- "We're trying to get away from the coil mattresses and move into the foam and even waterbeds."

## ➤ Mattress department sales associate for Macy's, Columbus, OH

iComfort holds two slots and is expected to take additional slots in the near future. iComfort sales are expected to increase as a result of increased advertising. Selling points over Tempur-Pedic are its foam's quick recovery and gel technology. Most customers who buy iComfort are first-time foam mattress buyers rather than trade-downs from Tempur-Pedic.

- "We've carried iComfort for two months."
- "We have two slots for the iComfort and four for Tempur-Pedic right now. But we're getting more iComforts soon. I'm not sure how many or when, but it will be soon."
- "I expect iComfort sales will increase in the next weeks and months. They are advertising it more on radio and TV in our area."
- "iComfort has a different kind of foam. It's gel and feels more like water. I like it better. Tempur-Pedic's foam doesn't breathe, so people get too warm when they sleep. And the foam doesn't recover as quickly as the iComfort. Sealy [Corp./ZZ] makes a [memory foam](#) mattress that is really good too."
- "Most people buying the iComfort are first-time memory foam mattress buyers. I don't see too many people trading down from Tempur-Pedic."

## ➤ Store manager for a mattress chain with more than 700 locations, Florida

This store has had iComfort mattresses for three weeks and already has sold six. Tempur-Pedic still has greater name recognition, endorsements and superior body support, but the source expects iComfort to take share from Tempur-Pedic based on price. Tempur-Pedic customers are not switching to iComfort, but iComfort is gaining 60% of the trade-ups from spring beds. The move away from spring beds to memory foam will increase within the next 10 years. Sealy's memory foam is poorly made and has been returned frequently.

- "We sell more Tempur-Pedic than any other company."
- "There are three models of the iComfort on the floor: Revolution, Insight and Genius. We have eight models of Tempur-Pedic."
- "We have had iComfort for three weeks, and we have sold six already. I had 12 others want to buy it, but financing was an issue."
- "Serta got it right—the look, the price and two free pillows. ... It's a homerun for them."
- "Even the [video](#) for iComfort on the bed is a great selling tool for me. I can lay them down on the bed and have them watch the video. They are already engaged with the bed."
- "Tempur-Pedic will hurt because of iComfort, which will take market share away from Tempur-Pedic."
- "Tempur-Pedic just started a promo: buy two pillows, get one free. ... I don't think it will help a buyer that is on the fence."
- "I don't expect anyone to trade down from Tempur-Pedic, but I would say to 60% of sales for the iComfort will be trade-ups."

# Serta Inc.'s iComfort vs. Tempur-Pedic International Inc.

- “Most iComfort sales are from conversion customers, the ones who want to move off of spring beds, but it’s really easy to upsell the iComfort with the adjustable base to someone interested in just the Tempur-Pedic mattress.”
- “Price is a big factor why customers choose the iComfort. Tempur-Pedic customers choose it over the iComfort because of name recognition, and it is a superior bed. The Arthritis Foundation has their name associated with it, and doctors recommend it too.”
- “Tempur-Pedic is superior with [body] support but out of some people’s price range, so the iComfort wins.”
- “The profit is about the same really. It is a 10% difference with Tempur-Pedic, giving us a higher profit, but in the end returns cost me money and I just want the customer to be happy. So I listen and sell them what they will happy with.”
- “I think spring beds won’t even be on the floor here in 10 years or less. They will become obsolete.”
- “Sealy memory foam sucks; they have been coming back to the store.”

Most iComfort sales are from conversion customers, the ones who want to move off of spring beds, but it’s really easy to upsell the iComfort with the adjustable base to someone interested in just the Tempur-Pedic mattress.

*Store Manager  
Mattress Chain (700+ Locations)  
Florida*

**Reporter Observations:** All memory foam beds were placed together, with Tempur-Pedic and iComfort next to each other. Tempur-Pedic signage was all over store walls. iComfort models had signs for the pillow promotion. One iComfort model had a video demo display.

## ➤ Sales associate at a specialty mattress store that does not yet carry iComfort, New York

This store had three slots for Tempur-Pedic but none yet for iComfort. The source reported selling two or three Tempur-Pedic mattresses each week, but could not comment on holiday and post-holiday sales expectations.

- “We have three spots on the floor for Tempur-Pedic.”
- “Some people tend not to like it because of the way the form molds to your body. We always try to convince people because there is a 90-day trial period. You have to show some salesmanship when you’re working with a Tempur-Pedic bed.”
- “I sell about two or three Tempur-Pedic mattresses per week. It does increase with the Christmas season. I’m speaking for myself, not for the store.”
- “We did an online assessment on [iComfort] a couple months ago, but we don’t actually sell them in the store. I know that they are gel; they have gel and foam mixed together. That gives it better support and keeps the mattress a little cooler than the Tempurs do.”
- “I’ve had a customer who bought an iComfort and came from another channel. He came to the store to do an exchange to a Tempur-Pedic.”
- “I have no idea what the sales are like in January and February. I’ve only been with the company for a year.”

## ➤ Sales associate at a specialty mattress store that does not yet carry iComfort, New Jersey; same chain as previous source

This chain is in the process of getting the iComfort. The source’s store has five to six Tempur-Pedic slots.

- “We don’t have the iComfort, but we’re in the process of getting it. They are in test mode.”
- “I don’t know how long it will be before we would get them—maybe six months if they decide to carry it—but they’d put them on the floor before they’d offer them online.”
- “We have five to six Tempur-Pedic slots.”

## Secondary Sources

Our first source reported a fabric supplier’s sales, which increased year to year because of 24.4% growth in mattress ticking sales. Our second source offered 28 consumer reviews on iComfort. Pros were the brand’s warranty and trial periods while cons included the mattresses’ initial chemical odor.

# Serta Inc.'s iComfort vs. Tempur-Pedic International Inc.

## ► Nov. 30 Furniture Today article

Mattress ticking sales rose 24.4% year to year, driving Culp Inc.'s sales up 18.7%. These results corroborate primary sources' reports of increased mattress sales.

[http://www.furnituretoday.com/article/545907-Culp\\_s\\_sales\\_climb\\_18\\_7\\_in\\_latest\\_quarter.php](http://www.furnituretoday.com/article/545907-Culp_s_sales_climb_18_7_in_latest_quarter.php)

- "Fabric supplier Culp Inc. said its sales increased 18.7% in the second fiscal quarter, thanks to strong performances in its mattress ticking and upholstery fabric businesses."
- "The company said mattress ticking sales were 24.4% above the same quarter last year, while upholstery fabric sales were 10.8% ahead of the comparable period."
- "In the most recent quarter, mattress ticking made up 60.7% of sales while upholstery fabrics accounted for 39.3%."

## ► Nov. 14 Sleep Like the Dead publication

This mattress review site posted letter grades for the iComfort series based on 28 consumer reviews in 16 categories. Pros of iComfort were warranty, trial periods, firmness variety, and relatively cooler material. Cons were limited consumer experience and initial odor. iComfort received grades of B- for price, B for owner satisfaction and A for warranty.

<http://www.sleeplikethedead.com/memory-foam-icomfort.html>

- "**Pros:** 25-year warranty; 120-day trial; firmness variety; may sleep somewhat cooler than memory foam beds in general; motion isolation."
- "**Cons:** Limited owner experience data and track record due to newness of model; off gassing and initial odor potential; heavy."
- "Prices range from \$1100-\$2400 for a queen depending on model. More expensive models are pricier because they tend to be thicker. Given its features and warranty, owners generally regard the bed to be an above-average value."
- "Based on a fairly small sample size (28), 78% of Serta iComfort mattress owners are satisfied with the product."
- "The warranty is 25 years with the first 15 years non-prorated. This coverage is superior to what most mattresses provide, memory foam or other."

## Next Steps

**We will revisit sources in three to six months to determine if iComfort is luring customers away from coil mattresses and from Tempur-Pedic. We also will monitor Tempur-Pedic's reaction to the increased competition, whether through price cuts, model releases or increased advertising. Finally, we will seek to confirm sources' reports of increased mattress sales year to year.**

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