

OUR COMMITMENT 2017 - 2018



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International Sleep Products Association

Helping the World Sleep Better



LETTER FROM THE PRESIDENT



The International Sleep Products Association (ISPA) has now entered its second century of fulfilling its mission to lead and advance the interests of the sleep products industry. Ours is a diverse multibillion dollar sector comprised of manufacturers, suppliers, retailers and other stakeholders from around the globe.

Members want to know that their concerns will be heard and addressed. That's ISPA's job. The Association is the industry's unifying voice, in the forefront helping create a better bedding industry for all. From providing data and knowledge, to understanding consumer trends, to proactively shaping legislation that affects the mattress industry, ISPA focuses its energy and resources on providing each ISPA member with trusted resources, driving change and making a positive impact.

In this brochure, we describe ISPA's activities on your behalf this past year and our plans for the year ahead. Through advocacy, collaboration and action, ISPA provides tangible results to help your business grow and thrive. To learn more about ISPA's mission, vision and strategic plan, please visit www.sleepproducts.org/ispa/mission.

Thank you to the ISPA Board of Trustees, our committees and councils and all of our dedicated and loyal members. Your support, energy and creativity make it possible for your Association to continue working to advance the industry's interests.

We look forward to serving and working with you in the years to come.

A handwritten signature in black ink that reads "Ryan Trainer". The signature is fluid and cursive, with the first name "Ryan" being more prominent than the last name "Trainer".

Ryan Trainer, ISPA President

THE LARGEST TRADE SHOW IN THE WORLD FOR THE SLEEP PRODUCTS INDUSTRY



ISPA EXPO 2018, the largest trade show in the world dedicated exclusively to the bedding industry, will take place March 14-16 in Charlotte, North Carolina. Attendees can explore thousands of industry products and services offered by suppliers from around the

world. EXPO also hosts educational sessions on business topics as well as many networking opportunities.

VALUABLE, TARGETED INDUSTRY DATA

ISPA will publish the next **Mattress Industry Wage & Compensation Report** in the first quarter of 2018. The exclusive statistical report helps mattress manufacturers set competitive pay scales, review union contracts, and negotiate benefits packages. It includes national and regional data and breakouts by geographic region and company size. Each participant receives a customized confidential report comparing their own company's compensation package with industry peers, as well as aggregate industry data.

NEW!

In 2018

ISPA CONSUMER ANALYTICS PROGRAM

To improve the market intelligence that ISPA publishes and help the sleep products industry increase its share of consumer spending, ISPA developed a new retail sales data initiative, ISPA Consumer Analytics Program (ICAP). ICAP will include data on aggregate mattress unit and sales values, regional sales, mattress sizes, accessory sales, upsells, returns and more, and will complement the manufacturer wholesale data that ISPA currently publishes. The consultants with whom ISPA has developed this program will also offer an array of demographic tools to help retailers better understand their businesses and customers, improve the efficiency of advertising expenditures and help guide the new store location/old store closure decision-making process. Watch for more information about this exciting new program coming soon.



RESPONDING TO CONSUMER NEEDS AND TRENDS

In 2018, the BSC will continue to leverage its position as an unbiased resource for the consumer through ongoing efforts to generate new and relevant content regarding mattress replacement and the sleep and health connection. The BSC will debut a new sleep and health blog in February 2018 and a consumer-focused newsletter during May is Better Sleep Month. The BSC will leverage timely topics such as Daylight Saving Time, allergies and relationships to develop relevant surveys that will generate media interest and coverage in social, print and broadcast outlets. The BSC will continue to work with both Terry Cralle and Lissa Coffey to serve as sleep and lifestyle experts for interviews and appearances on behalf of the BSC. Other initiatives will promote the Better Bed Quizzz and drive traffic to BetterSleep.org. Members can read all about the BSC's outreach in *Sleep Savvy* magazine.



PROACTIVELY SHAPING GOVERNMENT POLICY

As the voice of the sleep products industry, ISPA proactively advocates for industry interests before legislators and regulators at both the state and federal level.



In 2017, ISPA continued its effort to reduce flammability compliance costs and create a single, unified mattress flammability standard by urging the U.S. Consumer Product Safety Commission (CPSC) to rescind the 16 CFR Part 1632 cigarette ignition standard or merge it with the 16 CFR Part 1633 open-flame standard. ISPA persuaded the Trump Administration to include revocation of 16 CFR Part 1632 in its regulatory reform agenda. ISPA will work with CPSC staff to discuss how the industry can support the agency's evaluation of its Part 1632 options.

At the state level, ISPA tracked over 135 pieces of legislation that could regulate the manufacture, sale or disposal of mattresses. ISPA continued to advocate successfully against laws that arbitrarily regulate which flame retardants can be used in mattresses. ISPA also advocated against costly state mattress recycling mandates in favor of common-sense programs that do not place financial burdens on the industry.



MATTRESS RECYCLING CONTINUES TO MAKE AN IMPACT

ISPA created the Mattress Recycling Council (MRC) to fulfill mandatory mattress recycling obligations in California, Connecticut and Rhode Island without imposing added costs on mattress manufacturers or retailers. MRC is fully implemented in all three states.

MRC works with contractors that dismantle the discarded mattresses and recycle the reclaimed steel, foam and other commodities. Since the beginning of the program, MRC's recyclers have collected more than two million mattresses from the states' cities, towns, solid waste facilities, landfills and other entities like retailers, hotels, hospitals and universities.

The progress of these Programs has attracted international attention. In 2017, MRC hosted a mattress recycling educational program at IMM, an international interiors show in Cologne, Germany, which provided MRC and others the opportunity to learn from similar programs in Australia, Italy, France and the U.K.

For more information about MRC and the Bye Bye Mattress Programs, visit: MattressRecyclingCouncil.org and ByeByeMattress.com.



REACHING OUT TO THE CONSUMER

In 2017, ISPA's Better Sleep Council (BSC) launched a redesigned website to advance its mission to educate the public about the critical relationship between sleep, good health and quality of life and the key role sleep products and the sleep environment play in the pursuit of a good night's sleep. The new site coincided with the BSC's annual May is Better Sleep Month campaign, which focused on a recent survey that examined Americans' common misconceptions about sleep. This was one of four surveys BSC released in 2017.

The BSC's Better Bed Quizzz, a tool that helps make consumers more confident as they begin mattress shopping, has now reached over 100,000 prospective mattress shoppers.

Throughout 2017, the BSC continued to work with its sleep specialist and author Terry Cralle, as well as lifestyle expert and author Lissa Coffey, to continue the sleep and mattress conversation with consumers by securing TV and radio interviews, publishing articles, creating videos and participating in community events.



The Leading Event for Sleep Products Industry Professionals

THE HOME FOR COLLABORATIVE INDUSTRY INTERACTION

The 2017 ISPA Industry Conference, which took place March 8-9 in St. Petersburg, Florida, hosted a record number of attendees at the Vinoy Renaissance Resort. The event was the venue for ISPA's Golf Tournament, the proceeds of which supported the Colon Cancer Alliance (CCA). The Conference offered networking and educational sessions, and an Industry Reception and Dinner. The next Conference will be held in St. Petersburg on March 13-14, 2019.

In May 2017, ISPA hosted the ISPA Bedding Centre at interzum, the largest home-furnishings components and machinery trade fair in the world. The ISPA Bedding Centre offers member companies an all-inclusive booth package and dedicated contact to manage all the details. ISPA will host its Bedding Centre again at interzum 2019.

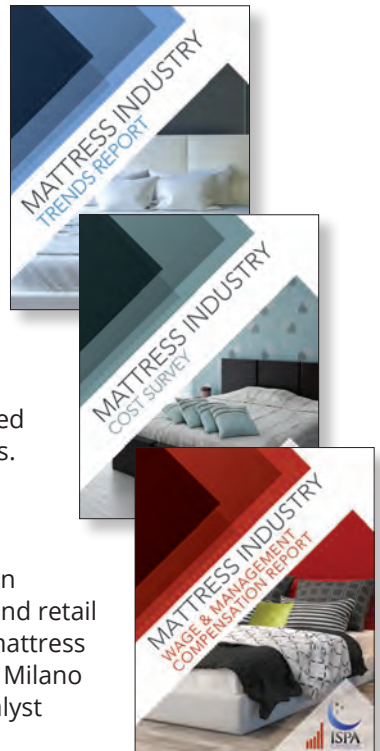
ESSENTIAL INDUSTRY INTELLIGENCE

ISPA's 2016 Mattress Industry Trends Report, released in May 2017, showed an upward trend in both unit shipments and wholesale dollar value. U.S. mattress producers shipped over 41 million units and wholesale revenues exceeded \$8 billion, reflecting increases over 2015 levels. Average Unit Prices (AUP) for mattresses and foundations increased by 0.3%.

In 2017, ISPA worked with U.S. Customs and Border Protection to improve the quality and accuracy of the international trade data that we publish by refining Customs' definitions for imported mattresses, motion foundations and foldable bases. ISPA also has taken steps to better reflect boxed bedding sales in future industry trends data.

Free to members, the report contains information on contract sales, mattress sizes, motion foundations and retail price point trends. It also provides information on mattress sales activity in 60 other countries compiled by CSIL Milano and a market commentary by home furnishings analyst Jerry Epperson.

ISPA published its most recent Mattress Industry Annual Cost Survey in June 2017. This report represents the most complete, up-to-date compendium of mattress manufacturer financial and operating results published anywhere. It offers guidelines for identifying business performance strengths and weaknesses, and improvement opportunities. The confidential results are free to participating ISPA members. Each participant also receives a customized report comparing its performance to industry peers and high-profit firms. Non-participating members may purchase a detailed summary of the report.



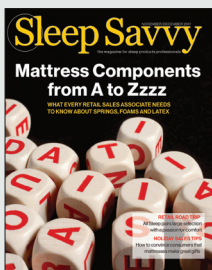
MUST-READ PUBLICATIONS

BedTimes: The only business journal for the sleep products industry

BedTimes celebrated its 100th anniversary in 2017 and is updating the publication's design and format as it enters its second century. *BedTimes* offers a print and complete digital edition and hosts an enhanced website, where the latest bedding industry news and additional industry-related content are posted.



The magazine also recently launched an email newsletter. Published twice a month, *BedTimes in Brief* is the mattress industry's only e-newsletter dedicated exclusively to bedding manufacturing. Visit BedTimesMagazine.com.



Sleep Savvy: The magazine for sleep products professionals

Sleep Savvy is the go-to resource for bedding retailers, retail sales associates and anyone in the sleep products industry who wants to expand sales by improving product knowledge and professionalism, and enhance the consumer-shopping experience. Offered in print and digital format, this practical, how-to publication has expanded its editorial content to include post-market coverage of new products and periodic features to increase readers' understanding of key product categories.

The magazine recently launched *Shop Talk by Sleep Savvy*, a twice-monthly email newsletter that focuses on a specific theme related to topics that are critical to retail success. Visit SleepSavvyMagazine.com.

STAY IN THE KNOW!

Free to all members, *ISPA Insider* is the weekly email member newsletter that reports on important developments affecting the sleep products industry. Contact Jane Oseth, joseth@slepproducts.org today if you are not receiving yours in your inbox. Also be sure to stay in touch and follow ISPA's social media sites for all the latest updates.



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