

Retail Adventures in the Real World™

RETAIL TRENDS

What's right, right now?
By Rich Kizer and Georganne Bender



Predicting retail trends is as hard as herding cats, but it's easy to see that customers hold all of the cards. In fact, both now and in the future, your customers will define how you do business as they continue to grow and change, forcing you to change right along with them.

As the economy continues to impact the consumer psyche, we are beginning to see values, attitudes, lifestyles, and spending patterns in a new light. If you believe what you see on television, then everyone's personal credit is horribly overextended, and disposable income is shrinking as unemployment rises. Combined with political instability, security threats, and corporate crises, even the most die-hard shopper is thinking twice before going on a spending spree.

But the good news is that we in the creative industries sell what people want – a distraction from reality, a passion to create. You just need to offer weary consumers a refuge from an impersonal shopping experience.

Here's what's in-store.

BETTER, NOT OLDER

We've been telling you for years about the aging population in the United States and how it will affect your business as the aging Baby Boomers merge with the LOMLOTs (Lots Of Money and Lots Of Time).

Yes, you will have to make changes to your store like increased lighting and larger font size in your printed

materials. Begin now, before it's too late. These important customers already account for more than 50 percent of consumer demand. And with the kids gone, empty nesters have loads of discretionary income to spend in your store. Revisit our article, *Your Customers aren't Getting Older, They're Getting Better*, which appeared in the April 2003 issue of *Craftrends* for ideas on how to make your store ready for older customers.*

DIVERSITY RULES

Remember the song from *School House Rock*: "Lovely Lady Liberty, with her book of recipes, and the finest one she's got: The Great American Melting Pot." America's Melting Pot history continues as our ethnicity grows.

According to the statistics, America's minorities are likely to have the same impact in the next 50 years, that the Baby Boomers had for the past 50. Almost one in three people living in the United States belongs to a racial or ethnic minority group. Hispanics, for example, became largest minority in America in 2000. Do you have people on staff who are fluent in Spanish? You should.

Take a look at what you have to offer each group. Learn what's important to your diverse customer base and provide them with options that are unique and meaningful to their individual cultures. If you would like more information about your market, visit www.claritas.com and click on "You are where you live."

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KIDS AS CONSUMERS

Millennials – all 72 million of them – are reshaping the American culture just as their Baby Boomer parents did.

This savvy consumer will only continue to grow in importance to your business. Millennials are very trend conscious and flock towards what they perceive as cool. And they're big on peer pressure, which can be good for you, because if Sam loves your store, his friends will, too.

Ben Franklin Crafts in Redmond, Washington, for example, has turned a new generation of customers on to knitting simply by calling the class "Yarn Yoga."

Hyatt Hotels launched Camp Hyatt where school-age kids shadow Hyatt workers and learn what it means to be a Hyatt associate. We met a 12-year old waiter who was quietly coached to address guests as "Sir" and "Madame", while peppering answers to questions with "Please" and "Thank You". And we watched a miniature bellman help

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guests into taxis, giving the driver explicit instructions on where the guest would like to go, as he pocketed generous tips from grateful guests.

You could do that, and you would link an entirely new group of customers to your store.

A WOMAN'S WORLD

Tom Peters caused a major uproar at a conference recently when he announced to a retail audience that "Men cannot design for women's needs. Period." At least he got their attention.

Women are important customers. As CFO of the household, your female customers influence more than 80 percent of all purchase decisions for the home – 100 percent if she's a single parent.

Women are most likely already the biggest part of your customer base,



but that doesn't mean you can take them for granted. If this shopping savvy, and demanding, consumer finds your store too hard to shop, your prices too high, or your policies not competitive, she won't be your customer very long.

Check out our article He Shops/She Shops in the January 2001 issue of *Craftrends* for ideas on how to make sure your store is female-friendly.*

SERVICE COMEBACK

Customer service is making a real comeback. Can you believe that? Did it leave? The *Minneapolis Star Tribune* recently reported that "retailers have viewed price-slashing as the path to success, and budget-minded consumers have responded, but the newest differentiating trend may be toward customer service. Consumers can find low prices almost anywhere. What they can't always get are knowledgeable service, an interesting selection and a pleasant shopping experience."

Duh.

You either "get" customer service or you don't, but there is no doubt that customer service is the last great proving ground. Any store can have low prices – "Stack it high and watch it fly!" – but not every store can consistently deliver great service.

Bernie Marcus, one of the founders of The Home Depot once told store
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associates that he would bite their fingers off if he ever saw them pointing a customer to merchandise. We agree.

That's why it's time once again, to hit the streets with our "How Did It Feel" exercise (See Sidebar Below)

Better customer service also means a nice place to shop. That's why Best Buy recently remerchandised its stores and widened aisles. It's also why you'll find computer geniuses and electronics pros on hand.

We stopped in a chain craft store recently to buy silk flowers on a Sunday. When we asked for help, the three people marking

product at the checkout counter told us that no one was working in floral that day. We were floored. You may not be in the electronics business, but if a customer enjoys good service at a Best Buy near you, they are likely to hold you to the same standards.



KIZER & BENDER'S "How Did It Feel?"™ Exercise

Ask one of your store associates to visit one of your competitor's stores and pretend to be a customer. Grab a cart or a basket, if it's appropriate, and simply shop that store as a typical customer would. Note the store's overall ambiance. Is the store easy to shop? Are the aisles clear and simple to maneuver?

Tell your associate to open a conversation with every employee possible. Ask lots of questions – about product, classes, return policy, etc.

When your store associate returns, talk about his or her experience. What was good; what was not? In other words, How Did It Feel? Discuss how the experience can benefit your own business.

Do this exercise in each of your competitor's stores least once every four to six weeks. Use what you find to make changes where necessary.

BRANDING

Every expert these days is talking about branding and why it is so important to be a BRAND! And most of them make it sound so incredibly difficult that most retailers just give up. The hard part isn't identifying your brand, it's the constant attention and strong commitment required to maintain it that's hard.

Your brand is simply the story you choose to tell, and the way that you choose to tell it. Your logo and colors, etc. are pieces of the foundation that support your brand.

McDonalds understands branding. You will not find anything associated with the company that has not been carefully screened to ensure it is worthy to represent the McDonalds name. The same goes for Starbucks Coffee, The Gap, Krispy Kreme Doughnuts and The New York, New York Hotel & Casino in Las Vegas. If these places need bags, gift certificates, carpeting, or in-store signing, you had better

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believe the item they choose will tell their brand story.

If you want to write your brand story, but you're not sure how to begin, give us a call, we'll be glad to help you get started.

SHOPPERTAINMENT

You can't get customers off of the couch and into your store these day just by running an ad featuring stuff at 20 percent off – any store can do that. Your customers want to be entertained and educated while they shop.

If you have gotten away from classes, it's time to begin again. If your promotions aren't causing commotions, then it's time to run some pretty terrific in-store events. Great ideas are everywhere: in this magazine, on our web site (www.kizerandbender.com), and available through trade shows.

If you haven't purchased the audio cassettes from the Hobby Industry Association's "\$1.99-an-Idea Luncheon" or signed up to be a part of its industry-wide campaign, "Crafts. Discover Life's Little Pleasures," do it now. Both are filled with great ideas to punch up your promotions. (www.hobby.org)

Change is a big part of your future; how you react to it greatly relies on your attitude. If you are a pessimist, you'll see catastrophe in every opportunity, but if you are an optimist, you'll see opportunity in every catastrophe.

Here's to the optimist in us all! ♦

* If you would like a copy of these articles, drop us an e-mail at info@kizerandbender.com, and we'll make sure you get a copy.