

The Trend Forecaster



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Generation S...

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Generation Sharing...Social Networking. Social Networking is no longer just for individuals; it's become a common business tool. Historically, there's always been a place for sharing. It's the third place after home and work. In Roman times it was the baths. In the 1800's it was Paris cafes. More recently, it's Starbucks. Now there's a fourth place...the internet which enables like-minded people to connect with each other. This gives a new definition to the word "community."

Generation S conduct their lives with their smart-phones. Apple's iPhone offers a mind boggling 50,000 apps. Arrange for a Zipcar, get directions on the phone's GPS, download grocery coupons, tweet on Twitter, text or check Facebook.



What are the attractions to Facebook, Twitter, etc.? Facebook is social networking with 175 million members. It's an online digital version of the relationships we experience in real life. There are 5 million new users every week. The latest members are "mature-types." Membership of women 55 and older has surged 175% in the past six months. There are more than 3 billion minutes of use every day. More than 70% of Facebook users live outside the US.

To reach 150 million users it took the telephone 89 years, TV 38 years, cell phones 14 years and Facebook just 5 years.

There's a lot of babble on these social sites, but that's exactly what is potentially so valuable to marketers. Facebook can track your behavior; the information that marketers would love to tap into.

It's a new day for marketing and advertising. As social networking connects people with shared interests who share stories, it's ordinary citizens who will be calling the shots. How do you connect consumers with shared interests to engage in conversations about stores or brands? How can you create organic, word-of-mouth exchanges to promote your store or brand?

What does all of this mean for the future of business, marketing and our lives? Bob Dylan said it beautifully..."Your old road is rapidly agin'. Times they are a-changin'." This was true in 1964 when the song was written and it is equally true today. "Then you better start swimmin' or you'll sink like a stone for the times they are a-changin'."

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Designs

The gap is narrowing, but Fashion stills holds influence on Home Décor design. Trending forward, the strongest impact on the home will be romantically feminine ruffles and prints...all-over florals, geometrics and architectural. Mary Katrantzou's signature collection is dresses printed with over-sized necklaces. Very graphic, very architectural. And, so very successful that she has begun actually producing the jewelry.



ALIBABA

Folkloric patterns will be strong through 2010 led by Asian and European designs. Their historical resonance offers a great back-story. All of these will be re-sized, re-shaped and re-colored:

- ◆ Indian motifs, specifically Paisley
- ◆ Suzani embroideries of Central Asia.
- ◆ Toile de Jouy – updated renditions of the Golden Gate Bridge, NYC skyline and Miami's South Beach.
- ◆ Ikats and Resist-Dye patterns
- ◆ Geometrics – inspired by Pucci dresses of the 60's, Marimekko prints of the 70's and flame-stitch from the 80's (originated as Renaissance Bargello weavings)

Historic icons, many found at flea markets and tag sales, are being re-crafted. Case in point: Tiffany's collection of "skeleton" keys in 14k gold. Their design is based on original hand-carved keys used to unlock keepsake boxes. Each key guards "a mysterious message for the key holder to know and the curious to imagine."

We'll see more **Chinese Chippendale, Greek Key and lattice patterns**. Stripes will be strong for the next two years. Look for

multi-colored, variable-sized stripes and awning stripes. Gingham, checks and plaids are trending in. Deconstructionist zippers from many fashion houses are seen on clothing, shoes and handbags. Zippers lend themselves to home décor accoutrements.

Three-dimensions, texture and relief in patterns will invite touch to investigate whether it's trompe l'oeil or the real thing! Grosgrain ribbons are a subtle yet colorful accessory trim. All appeal to our sensory awareness.



MARY KATRANTZOU



KARTELL'S MADEMOISELLE MISSONI

Trends

Euro Country – Farmhouse Chic

It's time to rediscover the natural beauty of the world around us; its peace and authenticity. It's time to rebuild relationships between design and function.

Our Houses are becoming our Homes. The time has come to retreat to reality...it's time for our homes to reflect who we are...to tell the story of where we've been, where we are and where we are going. We are all looking for connections and relationships with people and the environment. Home is where we will find honesty, realness and our true selves.

Euro Country is honest and is trending to be a major influence on product and lifestyle design beyond 2011, for it is both livable and comfortable. Think of a Paris Flea Market find. Vintage, timeless, simple, worn...classic, classy and casually elegant. Ralph Lauren recently introduced a wing chair slip-covered in hemp with toss pillows covered in old French feed sacks. It exudes authenticity. It is both relaxed and inviting.



GUILDMASTER'S BARCELONA GARDEN BENCH

Farm House Chic is emotionally analogous with Euro Country, but simpler in detail. Mutually charming, neither is precious nor pretentious. Farmhouse Chic celebrates the simple pleasures of life in the slow-lane. Both Euro Country and Farmhouse Chic are casual and warm. They both exude a sense of being aged to perfection. Welcoming to family and friends, they convey an agrarian look... simple, natural, authentic.

Look for old French oak, aged pine, distressed woods and peeling paint revealing multiple layers and colors beneath. Natural materials add emotional warmth and character to a room. Lovingly-worn items create an individualized look. Both allow family and friends to enjoy and appreciate Home. Farmhouse Chic and Euro Country celebrate the beauty of all things natural.

Old is New...Déjà Vu

Vintage is the new luxury and consumers are searching out beautiful imperfections. Simple, natural, authentic.

Perfection is passé. The aged look is trending in and will continue into 2011. Distressed items give the appearance of a story to tell. They look old, worn and loved, portraying ages of use.

"Is it the times? Is it the modern backlash? The 'aged' look is making a comeback" says *House Beautiful*. It's casually elegant; a new definition of beauty with a lot more character allowing for individualized looks. Museum pieces are OUT. Relaxed traditional is IN.



GUILDMASTER'S DUCHESS CHEST

As consumers downsize they'll be looking for furniture that is multi-functional, accommodating the activities of all family members... a dining room table that doubles as a place for the kids to do their homework. Distressed with pre-dings and nicks it looks pre-family-tested with tales to share.

Furniture should feel like an old friend. Someone with whom you are comfortable, where you can put your feet up, be yourself and be loved for being yourself.

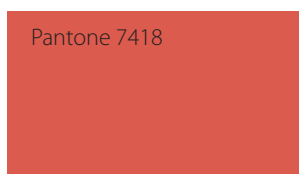
Versatile Chameleon Colors

Today, with both consumers and manufacturers suffering from limited resources, Colors are more versatile and possess greater longevity. I'm seeing many chameleon colors... is it yellow or orange? Green or blue? More than ever, Color adds value and a competitive edge. This season's palette, which includes a few established colors, will carry through 2011.

Red family is warming, influenced by the rise of coral and trending away from "look-at-me" red. Look for reds with hints of yellow, orange, pink and brown. Ethnic influences will continue to inspire red.



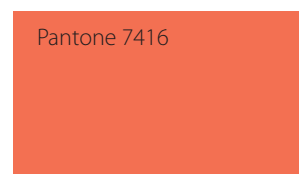
AZALEA



WARM BRICK



HOLIDAY RED



SALMON

Orange ranges from earthy to bright. From spicy to terracotta to tangerine.

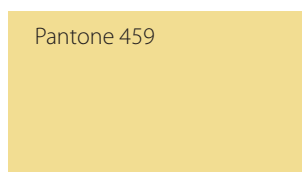


RUSSET



ZINNIA

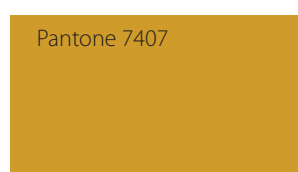
Yellow is being influenced by green. Also look for, daffodil yellow, an antique gold and a honeyed yellow.



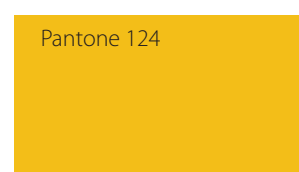
CITRON



DAFFODIL

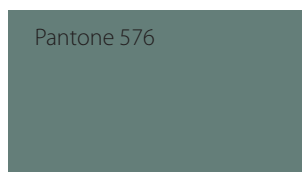


OLD WORLD



14 KARAT

Green has been yellowed, blued and grayed. This signals a move from the dominance of green as a stand-alone and a morphing to blue and gray.



EVER-GREEN

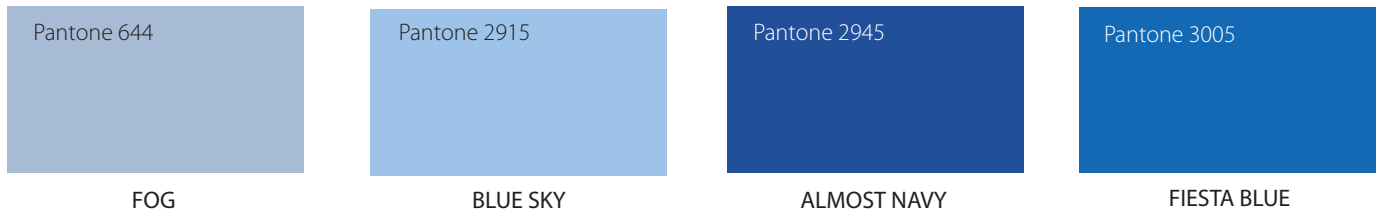


SPRING



RETRO

Blue is ascending, often at the expense of green. There's a blue for every palette and palate.



Purple is becoming more serious, concurrently creating a more neutral hue acceptable for a variety of markets...glamour, romance, luxury and corporate.



Brown, with red, orange or purple undertones, becomes a truly flexible color. The strongest is Mushroom, a chameleon grayed-brown.



Gray is trending in. Grays beautifully complement blues which are ascending. Strongest is Gunmetal, a gray with hints of blue and charcoal. Is Charcoal the new chocolate? The 2009 Auto Show exhibited a Corvette in charcoal gray instead of "look at me" red.



Whites – There's a growth of whites and other Neutrals, allowing multiple periods and styles, both new and vintage, to live together in harmony...cool grays, taupe and sophisticated off-whites.

Metallics – Old is New and New is Old. Metallics with worn, used or rubbed finishes are both matte and gloss. Aged mercury glass is both reflective and worn. A warm, old gold is intensifying. Trending in is a mix of metals and reflective surfaces.

Trends

Great Back-Stories = Great Front-Stories

What's a Back-Story? It's the story behind an object. In your home it's the objects that family and friends are drawn to. Objects that stimulate questions as to their origin. The same rationale applies in retail...you want to salt and pepper your store with objects that you know possess a great Back-Story; a story that consumers can't wait to share with friends.

What makes a good Back-Story? It's an item that inspires the inquiry of...Where did you get it? Where did it come from? Who made it?

Recycled and reclaimed products have wonderful Back-Stories. Escama Studio, a Fair Trade company, works with women in Brazil creating handbags and totes from recycled soda can pull-tabs crocheted together. In each bag is the signature of the woman who crafted it. Going to Escama's web site you can locate a picture and bio of that person and send her a special thank you email message. That's a fabulous Back-Story!

A reincarnation is achieved when reclaimed materials are converted into new products. Eastique has created a furniture line from 19th century Burmese teak railroad ties that the British used when laying rails in India and Africa.

A product discovery while on vacation creates a wonderful Back-Story. Antiques or vintage items interspersed among new items each possess its own Back-Story. The Antiques, Vintage and One-of-a-Kind product category will make its official debut in July 2009 enhancing its Home Collection according to

Atlanta's AmericasMart.

Give shoppers an experience; make shopping fun, engaging and entertaining. An item's Back-Story becomes a wonderful Front-Story for consumers to share with friends and family. It's that story behind the item that contains the warm fuzzies and is often what nails the sale.



OLY STUDIOS

Economy – Demographics

The newest chic is Frugal Chic. To quote a cartoon in the New Yorker, "Finally! Cheap is the new black." Frugal Chic is the quest to find the greatest bargains. Consignment shops are booming and can't get enough high-end products...the purchasing-circle is breaking with so many people shopping-down. Goodwill's sales are up 7% from a year ago. TJX's sales are the strongest in their history.

Coupon usage increased 110% in the past year claiming \$317 billion in savings. The greatest percent of increase was generated by online-coupons which are uploaded directly onto supermarket rewards cards. According to the Wall Street Journal, Kroger is going national with its text-messaging coupon program. Clicking a link tells Kroger's computer system to add the discount to your Kroger rewards card.

Even Whole Foods is offering coupons in their 24-page newsletter which includes: money saving tips, meal planners with recipes and...33 "budget" coupons! Plus, Whole Food Markets can be found on Facebook and Twitter.

According to Wanda Jankowski of *LDB Interior Textiles* magazine, everybody wants a bargain. "A bargain can be greater perceived value or something extra." Lagniappe (pronounced lan-yap) is what they call that something extra in New Orleans. Examples are: surprise service beyond your expecta-

Environment

Mother Nature's Gym is enjoying an exponential growth in membership. With wallets pinched people are spending more time discovering the sanctity of the outdoors. At the same time finding new connections and relationships with people and the environment as they enjoy their "stay-cations."



NEOTERIC HOME

Homeowners are going green to save green...money, that is! Cost conscious consumers are seeking ways to save on rising power bills. Energy efficiency is the #2 influence for buying a home, which can cut power bills by more than half.

Tent environments are responding to our desire for protection and more intimate relationships. Seen as hooded chairs and loveseats, gazebos and gated-secret gardens, they will increase through 2011.

Green is an opportunity and Eco-Chic is here to stay. Recycled, Reclaimed and Fair Trade products all validate that Green is becoming a lifestyle. Green products have become more color and design sophisticated while using sustainable and eco-friendly materials.

Design elements from nature are proliferating, summed up in three words:

- ◆ Air – winged things (birds, butterflies and beetles)
- ◆ Earth – flowers, fruits, foliage and critters
- ◆ Water – shells, marine life, marine blues and sandy beaches

Some interesting stats:

- ◆ 2 barrels of oil are used for every 1 barrel discovered
- ◆ 1 recycled aluminum can powers a TV for 3 hours
- ◆ 14 recycled plastic bottles yields fiberfill for 1 ski jacket

tions, a charitable donation (Cause Related Marketing) or a token-related gift with purchase (something cosmetic companies have been successfully doing for years).

"Frugal Fatigue" will soon set in with consumers opening their wallets. Albeit when they do, they will still want great value and great service with a sales force that's knowledgeable and nice. The consumer is definitely driving the economic bus and will continue to control revenue streams for the foreseeable future.

The Global Economy for 2010

Though down in 2009, the GDP of all BRIC countries remains in the black. According to Merrill Lynch, a near return to 2008 levels is predicted for BRIC's GDP in 2010: Brazil 3.8%, Russia 4.8%, India 7.5%, China 8.3%. (P.S. The US is predicted to go from -2.8% in 2009 to +0.05% in 2010.)

What's China doing in 2009?

- ◆ Car sales will grow 9% to 10 million units
- ◆ Coke, Apple and Adidas are using social media to connect with Chinese consumers
- ◆ Ugly Wudi, the Chinese version of Ugly Betty, will run at least three more seasons.
- ◆ Mattel has opened the world's first Barbie megastore in Shanghai

Marketing

The affluent aren't spending like they used to. So luxury brands are adapting to the needs of their consumer's wallets by offering premium products in smaller sizes. Nubs cigars are half size and half price. Premium perfumers are offering their scents in one-third ounce bottles. High-end restaurants are expanding their appetizer menus. Milton Pedraza, CEO of the Luxury Institute, says they are still deluxe products but more affordable on a "by-the-slice" basis.



DALE TIFFANY

A Peek into Cutting-Edge Marketing:

◆ Freebies

- FedEx offers free printing of resumes at 1600 stores
- European vending machines dispense free samples with an activation code from a smart phone.

◆ DIY

- Self-Serve Wine Bars dispense wine by swiping a prepaid smart-card. It also tracks which wines have been tasted.

◆ Back-the-Brand

- IKEA stores in Denmark loan trailers for cars to bring home bulky purchases.
- Diesel provided hot showers, towels and soap at a Dutch music festival.
- Kraft Foods heated 10 Chicago bus shelters and offered samples of Stove Top Quick Cups.
- Seattle Airport offers prime parking spaces, with power sockets, to electric vehicles.

◆ Try-Vertise – the relevant placing of samples

- At Nike's Runner Lounge in Vancouver, runners can "test-drive" Nike's running shoes plus get free massages.
- Rent a Mini-Cooper from a Beverly Hills hotel for an additional \$10 a night.

Recession-Inspired Opportunities An innovative generation of thinkers will fair this financial crisis and emerge stronger and wiser as the country emerges into its new-norm. This pioneering breed is redefining old markets and creating new markets from coast-to-coast. Case-in-point: lunch trucks, once referred to as roach-coaches, are serving high end fare to gourmet taste-buds with pinched wallets.

Culinary Institute of America trained chefs and highly acclaimed restaurateurs, many with Michelin stars to their credit, are roving the city streets of New York, Los Angeles, San Francisco, Seattle, Austin, Washington, etc. at lunch time. They alert customers of their whereabouts using Facebook and Twitter, even giving tips on parking spaces.

At a time when consumers are cutting back on restaurant spending and corporations are discouraging expensive business lunches, restaurants are experiencing steep declines in their lunchtime traffic. Though more expensive than a Sabrett hotdog or a taco, they are considerably less than a sit-down restaurant. Serving escargot, free range chicken, grass-fed beef hamburgers they are aggressively gourmet and the ultimate gourmet-to-go.

A Seattle chef who operates two trucks, each serving 200 lunches a day, grossed \$400,000 in 2008 according to the Wall Street Journal.

Compared with Manhattan real estate at \$2-300 a square foot, it costs \$150,000 to be fully operational and mobile. One restaurateur said that his sit-down lunch revenues are off 25%, but his truck has more than made up for those losses.

While the general economy is down, creative entrepreneurs and retailers are seizing recession-inspired opportunities . . . carpe diem!