



SHOPTALK

By Margie Johnson



THE TREND – NO MORE BUSINESS AS USUAL!

Shop Talk is a continuing series of consumer-oriented retail articles by Margie Johnson, president of Shop Talk, a retail consulting firm that specializes in showing organizations how to become leaders in their marketplaces and industries through customer-centered training. Over the past 15 years, Margie has worked in many Main Street towns throughout the nation. She is passionate about helping small business owners succeed.

Now and in the near future, all businesses need to adopt the premise to “prepare for business as **unusual**.” From Madison Avenue to Main Street and around the world, many trends and forces are at work, and they’re affecting how consumers think about shopping and making purchase decisions. These choices span from buying a car to food delivery at your doorstep to custom-designed products just for you. The vast array of choices and the proliferation of web and social media, coupled with a more practical and time-constrained customer, give all retailers reason to stop and carefully evaluate how they can adapt these trends to their business model. Every business needs to explore how best to leverage the bonanza of opportunities out there!

As a consultant working with a wide array of both small and large businesses, I have a unique perspective from which to observe how some owners have found recession-proof ways to grow their businesses. The most successful merchants exhibit a willingness to rethink and make changes in their business model. They seek to turn inspiration into a profitable innovation strategy. The term “monetized” resonates with savvy business operators.

A recurring common denominator that I see with successful small businesses is their willingness to embrace trends. Trends present themselves in many ways – from macro to micro trends, from a trend to a counter-trend. Ultimately, consumers dictate all trends as they express their preferences and desires by what they buy or choose not to buy.

From Infolust to Perkonomics: Trends that are Dictating the Future

Over the past year, I have studied several trends that are profoundly affecting small businesses. For this article, I have chosen to define a few trends that are not only affecting/dictating the future, but are easy and affordable for small businesses to *embrace*. These trends interconnect in ways that make them easily adaptable. Remember, a strong trend will have a profound impact on how we do business for several years.

Let’s explore . . .

- The expectation economy;
- The world wide web (click and order);
- The impact of social media (Facebook, Twitter, YouTube, etc.);
- Cause-related and socially responsible marketing;
- Greenest/eco-friendly; and
- Perkonomics.

Clearly, the expectation economy is based on years of hyper-consumption. These consumers are well informed and have a long list of expectations. I refer to this as the E-Gap (what did the customer *expect* from a business versus what did the customer *experience*). Great businesses understand the need to narrow the gap between expectation and experience and focus on delivering memorable experiences. This trend is fueled by social media, which enables people to spread their opinions around the world in a flash! If a busi-

ness is indifferent, or irritates a customer, this dissatisfaction can be voiced quickly and heard by many.

Social media sites, such as Facebook, Twitter, YouTube, and blogs, provide instant platforms for reviews of your brand. The statistics on these reviews are staggering. Nearly 72 percent of social media users say that after an online search, they communicate with others about a product or service with face-to-face communication. (Source: RAMA) The online statistics are staggering. For more information, search BIGresearch.com, Facebook.com, and Hubspot.com.

The trend described as “infolust” refers to consumers who lust after detailed information on everything – products, people, places, etc. This trend is being driven by the basic human need for power and empowerment. Information is power. Millions of consumers are able to access information in seconds in this new transparent world of information distribution. This appetite for “infolust” is being fueled by an explosion of new sites, tools, and applications that give customers access to instantaneous answers, directions, ratings, tracking, etc. The “infolust” trend offers many opportunities, from websites to Facebook to GPS applications, for businesses to delight their customers and fulfill their desires.

The “eco-friendly/greenest” trend continues to gain momentum – from recycling to offering more sustainable products, be it green buildings or a ban on plastic bags and bottles. Many small businesses are looking for ways to tune in to this trend and instill in the consumers’ minds their passion to eliminate any negative direct or indirect environmental impact by products and services. This trend offers many venues for business owners to explore and adapt and thereby brand businesses as socially responsible in their community.





The Ladybug Shop in Milford, Del., (above) and Dirtball, in Hickory, N.C., (right) are two businesses that are successfully evolving to span both physical and virtual boundaries. Since it opened in 2003, the Ladybug Shop's web sales have grown exponentially, now accounting for more than 70% of its sales. Dirtball focuses on cause-related marketing, using the web and social media to market its products and spread its message of socially responsible consumerism.



Another trend that small businesses can easily embrace is that of “perkonomics.” Americans continue to be infatuated with perks and privileges. This trend was pioneered by airlines, hotels, credit card companies, and banks, which rewarded their most valuable customers with benefits, status, and convenience. Now, it is fast becoming a part of the consumer society, based on all of the above, plus experiences. At the core of this trend is *convenience* – thus, the “perk” of more time.

Time, or the lack of it, is still one of the most powerful trends around. With only 168 hours in a week, today's consumers don't have enough time to do all they want to do. Therefore, businesses that strive to save consumers precious time will be ahead of the curve. There are many statistics that support the fact that trends are driven by this “time-starved” marketplace.

All businesses need to revisit their “perks” (current and potential) and review the ways they are recognizing and giving consumers “time advantages.” Empathy with customers' hassles and struggles need always to be a guiding force in business regardless of the economy.

All of these trends are rooted in motivators that drive consumerism – paramount among these motivators are adding balance to life, time versus money, the new value equation (whatever the consumer values), the quest for convenience, dissatisfaction with store shopping, and a smarter shopper.

From Physical to Virtual: How Main Street Businesses Are Evolving

There are many examples of how small businesses in Main Streets across the county have taken initiatives to embrace these

trends. The examples are endless. In Milford, Delaware, Dan and Rhonda Bond opened the Ladybug Shop, a store dedicated to gifts with a ladybug design theme (see their website, www.ladybug-shop.com, to find out what inspired them to focus on ladybugs). Their main street shop has grown rapidly since they first opened in 2003, but their web business has expanded exponentially and now accounts for more than 70 percent of their sales. Today, Dan teaches other Delaware small-business owners how to make the web an integral part of their business model. I have visited this store and was wowed by the enthusiasm and momentum!

Another great example is how Papa Georgios, a restaurant in Colfax, Iowa, in just a few years has been voted as #21 in the “Top 100 List of Greater Metro Des Moines, Iowa's Best Places to Dine.” Owner Pam Weigle adapted her business marketing to a focused mix of e-mail, Facebook fans, and Twitter.

These mediums, plus consistently great food and service, have spurred the growth of this restaurant. Pam also ties her business to the green trend by sending compost to a local worm farm. She taps cause-related marketing by hosting events for breast cancer. Pam is thoughtfully applying these new trends and mediums, including a website – www.papageorgios.com – to communicate with her clients. I recently dined there and can personally attest to the great food and wonderful ambience.

In just 18 months, Joe Fox, president of Dirtball, located in the Hickory, North Carolina, Main Street district, has taken a start-up business from a thought to a storefront to wholesale distribution. Dirtball is an eco-friendly skate, surf, and snowboard eco-clothing and accessories company for



men, women, and children. This company has embraced the web and social media, and amassed press on television, radio, and print. Dirtball is committed to using re-cycled cotton fabrics. To be socially responsible and to tap cause-related marketing, Joe donates \$1 of each purchase to the charity of the customer's choice. I interviewed Joe and was extremely impressed with his plans to expand his business. His foresight includes tapping into all of the trends previously mentioned while seeking to create a supply chain that focuses on products made in the United States. Go to the website www.dirtballfashion.com to learn about this “small company with big plans.”

Obviously, there are hundreds of examples that illustrate how “early adaptors” are using these trends and new mediums to excel in their niches, stay competitive, and communicate without borders. I urge/challenge each business owner reading this article to re-examine ways to better meet the needs not only of local customers but also how to evolve the business to span the physical and virtual boundaries. Perhaps it is time to Re-think, Re-tool, and Re-gear your business!

I look forward to continuing my trend tips in subsequent articles. Meanwhile, unleash your creative juices, embrace the new technology, and most of all listen to your customers.

Great retailing to you in 2010!

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