

## STEP # 1

BEFORE TRENDS CAN BE "SPOTTED", THEY MUST BE DEFINED. PARAMETERS NEED TO BE SET AND GOALS UNDERSTOOD.

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START WITH THE SIMPLE QUESTIONS OF WHO, WHAT, WHERE, WHEN, WHY, AND HOW.

### WHO?

- Who is the ultimate consumer of your product or service?
- Are you B to B operation with a customer who resells your product to their consumer?
- Who is your core demographic?

### WHAT ?

- Identify trends from the 50,000-foot view, the "macro level" down through general business trends at 40,000 feet. Continue to focus down on industry trends, retail trends, then style, design, color, print, pattern, etc.
- What demographic shifts may influence your core consumer? (Regional growth/decline, price point, online retail and the effect on regional demographics)
- Identify trends beyond visual cues of color, style, and size. What are the sounds, tastes, tactile sensations, and scents that are on trend and will appeal to your consumers?

### WHEN ?

- Consider the selling seasons you are forecasting and factors that may influence consumer behavior.
- Forecast one, two, and even three years out in broad outlines to guide your action plan for growth, purchasing, and marketing. Once your plan is outlined, monitor the trends, make course corrections, and communicate the changes across your organization.
- In the past, Europe was 2-3 years ahead of the trend curve of the United States. However, the growth of social media, blogs, and global travel has compressed this trend adoption curve to nearly flat. While Europe will always lean towards more modern designs, colors,, and materials, there are now more similarities than differences between the US and EU. But, localization is a big trend and international retailers like TJ Maxx, Pottery Barn, Victoria's Secret, and Wal-Mart have learned the hard way that business must be done on a local and regional level to suit cultural, aesthetic, and societal differences.

## WHERE ?

- Where are you marketing your product or service?
- What are regional conditions that may affect your business?
- Are you marketing online? Are you considering expanding into new markets
- Trends start in the Luxury market most often. And in the past few years more and more Luxury Brands are focusing their attention on Asia, more specifically China for their designs, price points, and product innovations. For example, in 2012 Lamborghini introduced its first in class SUV at the Beijing auto show.

## WHY ?

- Flexibility and agility.
- Pulse on current conditions with an eye towards future events.
- More cognizant of subtle shifts in consumer behavior.

Macro-economic trends:

### STEP # 2

### SPOTTING THE TRENDS

## WHERE TO LOOK -

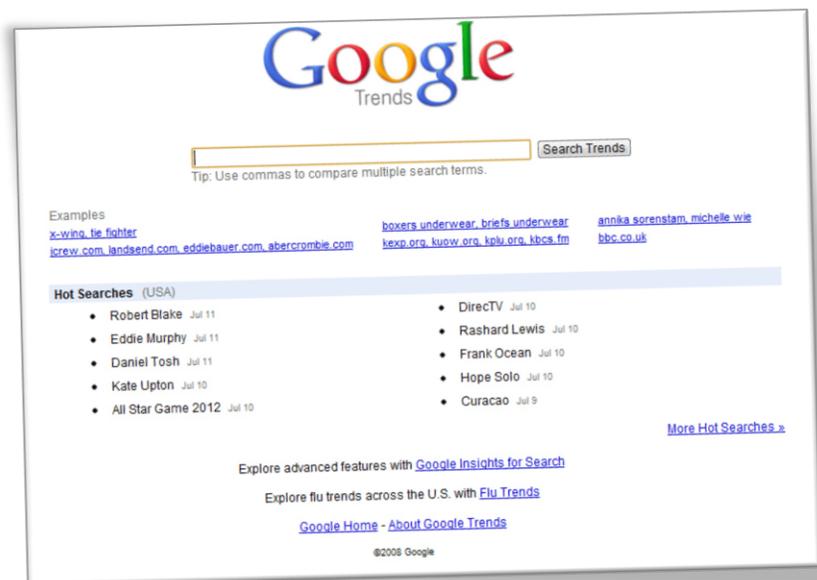
**Free tools** - always start with free, relevant insight. Follow and even connect with your peers, competitors, industry influencers, and intuitively insightful individuals. Walk tradeshow. Comp shop retailers. Be mindful of everything you hear and see, then allow your mind to make the connections that others might not see. Use and trust your intuition.

**Comp Shopping** - look higher and lower in addition to your competitors. Keep records from season to season, year to year. Compare your competition against each other and your own business for price point, style, color, function, location, etc.

**Blogs** - business, design, lifestyle

**Google Trends** - Allows you to search by topic (s) for what is trending as search terms present day or by specific date.

**Social Media**



- Conversation and content: Twitter, Facebook, Linked-In.
- Visual Pinterest, Tumblr, Polyvore
  - *(Tip: Brides to be are a great resource for trend inspiration in the home furnishings industry! Search for wedding on Pinterest and see what different themes, styles, and trends appear. They are usually ahead of the curve without being outside the track.*
- Audio and Visual - Spotify, Podcasts, You Tube, Vimeo, Instagram, Ted-X

### Books and Magazines

I find interesting and insightful articles in Forbes, Fast Company, Entrepreneur, and Inc. Magazines

For aesthetic trends, I peruse fashion magazines for men, women, and teens. I generally shy away from home furnishings shelter magazines because I find they are too in the present, and not good for forecasting trends.

Authors I enjoy reading and following on blogs include: Seth Godin, Chris Anderson, Tony Hsieh

### Quarterly Investor Calls

I am a big geek when it comes to listening to and reading the transcripts from the quarterly investor calls of Public Companies. These calls can be dry, tiresome, and are great for putting you to sleep sometimes, but they are chock full of insightful details about the direction, strategy, and sales of the company. They also provide insight into which segments of the market are doing well and which are lagging, You can find the calls through the company's web-site under investor relations. TheStreet.com also makes the transcripts available for free. The companies I follow include:

- William Sonoma (NYSE: WMS) (Includes William Sonoma, Pottery Barn, PB Teen, PB Kids, and West Elm)
- La-Z-Boy (NYSE: LZB)
- Dollar General (NYSE: DG)
- Dollar Tree (NYSE: DLTR)
- TJMaxx (NYSE: TJX) (Includes Marmaxx, TJX, Homesense, and Marshalls)
- Ross Dress for Less (NYSE: ROST)
- Costco (NYSE: COST)
- Bed, Bath, & Beyond (NYSE: BBB) (Includes Buy Buy Baby, and the newly acquired Cost Plus World Market)
- Macy's (NYSE: M)
- Nordstrom's (NYSE: JWN)
- Coach (NYSE: COH)

Additionally you can monitor industry trends for public companies through Google finance, under the sidebar selection option "Google Domestic Trends". I watch Furniture, Luxury Goods, and Durable Goods in addition to some custom searches I have created.

## WHAT TO PAY ATTENTION TO

### Be Open To Everything

Have a broad outlook and open mind. Don't limit your reading to your industry specifically. Read the blogs that your consumers would be reading. See what else they are interested in, what is trending in other industries.

### WATCH FOR DISRUPTIVE INNOVATIONS

Being aware of small disruptions in innovation keep businesses alert to larger disruptions that will fundamentally change the way their business operates. Consider these factors

**Technology** - the Zen-ovation of the iWorld

**Transportation** - Commerce has been revolutionized over the centuries as we progressed from local village trading, to sea merchants to trains, to cars, and to airplanes.

**Media** - Once limited to the town crier, then to monks transcribing books. Media now is mass, it's social, and it's ever changing.

**Manufacturing** - Production of consumer goods has progressed from local artisans, to machines in during the industrial revolution. In 2012, businesses and consumers can purchase an affordable 3D printer that will allow them to download digital files and fabricate small objects based on customized specifications.

- *What will be the next disruptive innovation?*
- *How will could affect hurt or benefit your industry?*
- *How can you better align your business to reap the rewards of these disruptive innovations while also getting ahead of your competition?*

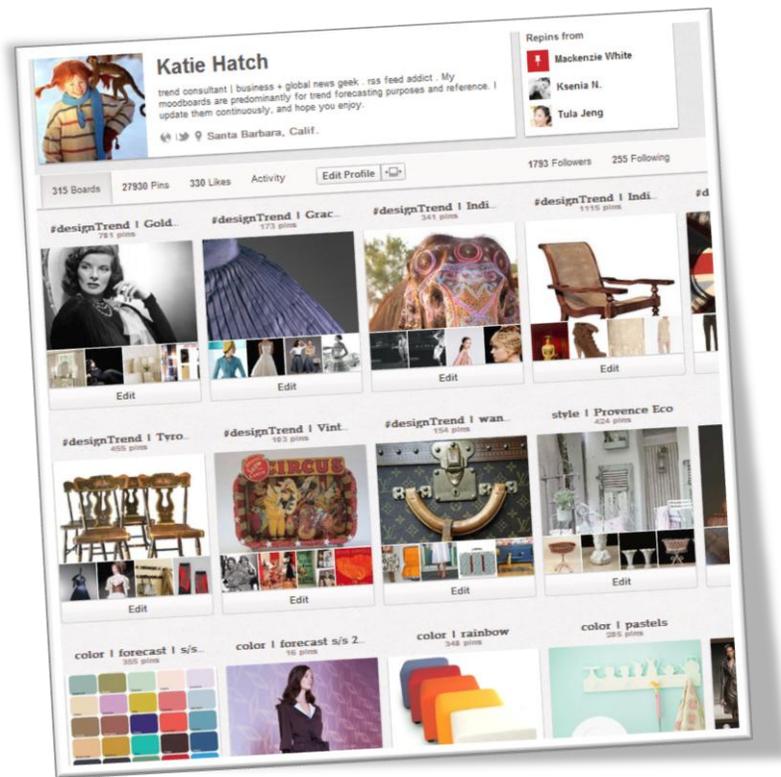
**Economy** - Disposable income is a phrase often heard on the news these days, but how does it affect your business? Consumers with fewer disposable dollars to spend, both in reality and psychologically, are being more selective about their non-essential purchases. These consumers are giving themselves a budget for all-

A **disruptive innovation** is an innovation that helps create a new market and value network, and eventually goes on to disrupt an existing market and value network (over a few years or decades), displacing an earlier technology. The term is used in business and technology literature to *describe innovations that improve a product or service in ways that the market does not expect, typically first by designing for a different set of consumers* in the new market and later by lowering prices in the existing market.

Whereas, a **sustaining innovation** *does not create new markets or value networks but rather only evolves existing ones with better value*, allowing the firms within to compete against each other's sustaining improvements. Sustaining innovations may be either "discontinuous" (i.e. "transformational" or "revolutionary") or "continuous" (i.e. "evolutionary").

{ [Source Wikipedia](#) }

discretionary spending rather than allocating dollars towards different product categories like auto, apparel, home, and electronics. Consequentially, the shopper with \$500 to spend may be your customer, or may be the Apple store customer. Therefore all businesses must look at all retailers, or consultants, or service providers as competition, rather than direct competitors; it is no longer a market wherein customers compare a sofa to a sofa to decide where to allocate that \$500. They may just as easily walk across the street to pick up an iPhone with a data plan.



### STEP 3

#### KEEPING TRACK OF YOUR TRENDS

**Pinterest** is my backbone for trend collecting, organizing and sharing trends. It's not perfect but has come a long way in just a year. If you do not want to make your trends public, there is a platform call Mikelike. (I have not tried it yet, I am still pestering the folks at Pinterest to offer a premium service to include private boards in addition to other features.) I set up my Pinterest account to login with my Twitter information rather than my personal Facebook info. I prefer to keep my business and personal information separate.

Outline ahead of time how you want to organize your trends. For example, I have different categories, which unfortunately cannot be put into a master folder (yet). For example, my boards are named:

- ... color | yellow
- ... color | blue
- ... color | forecast | spring/summer 2013
- ... print+pattern | stripes
- ... print+pattern | gingham

**Slideshare** is another great resource for presenting your trends. With a premium service you can share presentations publically or privately, capture leads, and more. This is a great way to share business to business what your current trend forecasts are.

Other free services that I use for hunting and gathering of trends include:

- Evernote
- Dropbox
- Google's Picassa