

PRODUCT & STRATEGY FOR CONSUMER TECHNOLOGY RETAILING

Dealerscope

July 2010 • Vol. 52 No.7 www.dealerscope.com



Becoming the New Home Technologist

Home technologies and strategies to future-proof your business



How to Profit From a New Demographic

Understanding Gen Y buying patterns opens new opportunities.

A huge potential for mega growth is here today and it's sustainable. Generation Y is expected to surpass Baby Boomers in retail spending by 2015. This group consists of 113 million consumers who will spend an estimated \$629 billion this year. They include singles, young professionals, young married couples and young families 21 to 44 years old.

By 2015, Gen Y will have more spending power than any other generation before it and will make up half of the American workforce. Not only do they influence up to 50 percent of the \$6.5 trillion in U.S. consumer spending, their opinions drive their parents' and other family member purchases. To profit from this knowledge, you must understand what drives their purchasing decisions.

Urban Lifestyle

The urban lifestyle is defined by how these young and middle-aged consumers personalize their living spaces. It's not about where they live but how they live.

The National Association of Home Builders found that 88 percent of its members plan to build smaller homes, lofts and condos. Even before the economic slow down, the U.S. Census confirmed that the square footage of American single-family homes dropped 8 percent from 2007 to 2008.

The older (ages 33 to 44) Gen Yers are technology savvy, and their homes are a social sanctuary for entertaining family and friends. Many live in apartments, lofts, townhouses or downsized suburban single-family homes. They value modern, space-saving design and furniture that doubles as storage. They prefer neutral tones with a pop of color. Products must be eco-friendly.

The younger (ages 21 to 32) Gen Yers buy the latest consumer electronics, and their homes serve as the social hub. Identifying with the urban lifestyle, they prefer an eclectic mix of modern furniture, and they choose vibrant colors. They prefer products that are designed to save space and are friendly to the environment.

Urban Home Entertainment

The urban lifestyle shapes home entertainment pur-

chase behavior. The emergence of color in TV bezels, laptops, camcorders and MP3 players parallels the shift to more colorful home furnishings and apparel. The advent of thinner flat panels, wall-mounted speakers and sound bars address the trend toward space-saving

furniture must address design, storage, style and the environment.

Smart Design

Space-saving designs should maximize storage and organization of A/V components, media and other accessories. Wall shelving, tall A/V component shelves and media storage towers use vertical space with a smaller footprint. Products that use steel and tempered glass easily support flat panels while offering quality, strength and durability. Use of low-maintenance materials makes cleaning easier, and fewer parts mean less time to assemble.

Urban Style

Minimalist designs avoid overpowering small living spaces. Clean lines and smaller-scale furniture showcase expensive electronics. Look for a wire management solution that hides unsightly cables and wires. Products that use painted wood, veneers, colored glass, metal and fabric can offer color and texture that fit modern and eclectic tastes.

Eco-Friendly

Gen Y consumers prefer furniture constructed from recyclable materials, but don't expect them to pay a premium. Products with steel frames are more durable and less likely to be discarded. Lighter units that use less material require less packaging, save on shipping costs and typically require less energy to produce.

This demographic matters to you because it is a great opportunity to sell products that respond to the urban lifestyle. The younger generation is setting trends that will influence mainstream preferences for years to come. Fostering a relationship with this group will generate enduring customer loyalty. It all starts with offering the right products and solutions. **DS**

Leo Dardashti is president and CEO of Atlantic, Inc. a manufacturer of storage products, home organization products and entertainment furniture, and is also a member of CEA's Accessories Division Board.



entertainment solutions. The more recent use of notebooks, DVRs, streaming video devices and iPads adds more digital electronics that need a place to reside.

Urban Entertainment Furniture

Older-style entertainment furniture sold today is large, heavy and bulky. New, smaller living spaces, more media storage needs and lighter flat-panel TVs require new furniture solutions. Urban entertainment