

INTRODUCTION

MY FIRST BOOK, *THE TRENDMASTER'S GUIDE: GET A JUMP on What Your Customer Wants Next*, is a small, witty A-to-Z handbook designed to simplify and demystify the art of trend tracking. It outlines my unique philosophy on tracking and translating trends into sales and profit. It's about the *how* of Trend.

In the last chapter, Z is for Zen, I introduce the reader to my perspective and insights on trend/countertrend. I quote Lao-tzu, ancient Chinese philosopher, who captured the essence of what fascinates me most about the art of trend tracking: "When opposites supplement each other, everything is harmonious." I wrote that "for every yin there is a yang. For every trend there is a countertrend." I encouraged the reader, in true Zen fashion, to "embrace opposites. Celebrate duality. Embrace polarity."

This book picks up where *The Trendmaster's Guide* leaves

off. *The Hummer and the Mini* explores the *what* of Trend. It's an overview of high-level macro trends happening in the world today. In essence, it's a study of paradoxes, concepts that at first glance seem absurd or contradictory, but in reality are absolute truths. Dr. Marty Grothe, in his book *Oxymoronica*, points out that "paradox is a particularly powerful device to ensnare truth because it concisely illuminates the contradictions that are at the very heart of our lives."

Perhaps that's what fascinates me most about paradox; the way it illuminates the truth. A paradox captures the essence of what's going on out there in the world while at the same time cautioning that things aren't always as they appear at first glance. When explored with an open mind, paradoxes will help you read between the lines and reframe your perspective.

Paradoxes are powerful tools that can help you discover the opposing realities of the customer and the contradictory aspects of the marketplace. Too many businesses try to make it a black-and-white proposition. Either/or. I believe that within the paradox lies an opportunity to get out of the black-and-white box and step into a world of colorful possibilities.

My years at Target taught me a thing or two about paradox. When I came to Target in 1992, it was a small regional discounter with a funny bull's-eye logo trying to survive in a marketplace dominated by Wal-Mart and cluttered with many other small regional discounters. Target realized that in order to survive, let alone compete in that retail scene, it would have to "differentiate or die." The discounters that didn't figure that

out, did in fact die off . . . Venture, Zayres, to name two. And Kmart is still struggling to keep its head above water.

Target's formula was a simple one, consisting of three parts. First, the company was determined to capitalize on its department store heritage and be the first discounter to be "trend right." Rather than carrying last year's best sellers the following year at a reduced price, our goal was to have the same products on our floors at the same time that Gap, Crate & Barrel, and Banana Republic were stocking, only at better prices.

The second part of the formula was to be "guest focused." We called our customers guests, in the tradition of Disney. We wanted to know not just the age, income level, and zip codes of our customers; we wanted to know what their lives were like, how they lived, what they felt, and what they cared about.

The third part of the formula was the "secret sauce." The company made a huge commitment to design. Design would be the tool used to translate the trends into great products and experiences that made sense for our guests' lives. Ultimately, design was the competitive weapon that brought beauty not just to the product, but to the bottom line. It brought credibility to the brand promise "Expect More. Pay Less." It's also what helped turn Target into *Tarzhay*.

Trend right. Guest focused. Design driven. The three key elements of the strategy that ultimately turned Target into *the upscale discounter*. Now there's a paradox.

The trends outlined in this book are all paradoxes. They highlight the contradictory nature of these trends, and I hope they will help you reevaluate your point of view. The insights I

share in this book will take you deep into the hearts and minds of your customer to help you determine not just what's *next*, but what's *important*.

You will find no big pronouncements here. No predictions. No prescriptions. And no pat answers. Charles Handy, a pre-eminent British management guru and one of my business heroes said: "Paradoxes are like the weather; something to be lived with, not solved." Instead of *answers*, I hope to help you discover the *possibilities*. This book will help you explore the apparent contradictions manifesting themselves out there on the treacherous trend landscape. I hope it ultimately provides you a new way of looking at your world.

As I travel the country sharing my philosophy on the art of trend, I've been amazed at how open people really are to looking at things differently. Corporations have finally realized that they can't *cut* their way to greatness anymore. Instead, it's time to put something back *into* the product. That takes real innovation, and innovation usually requires doing things in a new way.

Many of the stories that I profile in the book are examples of businesses that at one time might have thought inside the box when the marketplace was a simpler, more sane place. Today, however, companies such as Starbucks, Whole Foods, Mini Cooper, M&M's, Costco, Jones Soda, DaVinci Slate, and MetroNaps have all realized that there is no box. It's no longer even a matter of thinking outside the box. Companies that have embraced change and accepted the idea of the contradictory consumer have found delightful ways to reframe their

business propositions. By paying attention to both ends of the trend spectrum, they've been able to develop a unique proposition that helps drive their success.

Businesses today need to embrace change and live with the paradoxes. They have to admit to themselves that *the same old, same old* just won't do. I hope this book provides a little guidance, a polite nudge, and some interesting insights to help you not just think outside the box, but to throw the box away altogether.

We live in a world filled with paradox. It's a fact of life. Margaret Mead said, "We should always remember that we are absolutely unique, just like everyone else." If you can embrace that thought, you'll have no problem embracing the paradoxes contained within.

CHAPTER 1

TREND/COUNTERTREND

WHEN I BEGAN MY CAREER IN THE LATE 1970S, THE TREND-spotting business was pretty black and white. A trend was defined as something that *everyone* wanted at the same time. Fashion magazines and business publications alike regularly proclaimed what was “in” and what was “out.” Trends were distilled down to easy-to-decipher “thumbs up” or “thumbs down” messaging.

Back then, if you kept your antennae up, your radar out, and connected the dots, you could pretty much determine what the next big trend was going to be. If you were smart enough to do something about it fairly quickly, you could make a lot of money and ride that trend all the way to the bank.

Sometime during the late nineties it became very trendy, to be trendy and the business of “cool hunting” was born. Cool hunters were those *über*-hip bohemian types who were always on the lookout for the next big thing. Manufacturers paid big bucks

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to hear their pronouncements. Marketers developed elaborate campaigns to capitalize on their trend predictions. Fashion magazines vied for newsstand sales by leveraging the cool factor and being first with the latest trend info. Cool hunting quickly became the Holy Grail for increased sales.

Then, just when we thought we had it all figured out, everything changed. It was as if overnight the consumer developed a severe case of schizophrenia. Tangible consumer *need* became eclipsed by abstract *desire* as consumers faced an unprecedented array of options. In this changing environment, a cookie-cutter approach to spotting trends no longer sufficed. I had to admit that as a Trendmaster I could no longer deliver the answer to the question What is the next big thing?

The reason was glaringly obvious: There wasn't just one next big thing. Rather, there were many different next big things, and they were happening concurrently. It became clear that for every trend there was a countertrend, and both were equally valid. The trend itself wasn't what was important anymore. It was how the trend meshed with the consumer's conflicted, paradoxical, and often counterintuitive desires that really mattered.

The very idea that there might not be just *one right answer* flew in the face of current corporate philosophy. After all, we had entered the age of Six Sigma. With enough analysis, number crunching, flowcharting, and research you were supposed to be able to come up with a single best method or process—one right answer or way of doing something, period. We could chart and plan our way into the hearts of customers. No ifs, ands, or buts. My problem around this time, though, was that I kept seeing the “buts.”

I had begun to realize that there were many different ways to satisfy the same customer. I no longer believed that there was one right way or best method to design a product, merchandise a line, or assort a department. It probably had something to do with the way our lives had been shifting and meshing over time—the way the social fabric of our lives had become complicated and fragmented, and in many ways, paradoxical. You might be a carpooling mom one moment, dynamic career woman the next, or a hard-hitting corporate boss at the Monday-morning meeting and a Little League coach that afternoon. Because people were no longer fitting into just one category—mom, executive, coach—I had to become more flexible in the way I thought about and reached out to consumers.

BREAKING THE RULES

I started seeing the emergence of this paradox around the time Sharon Stone paired a Gap mock turtleneck with an Armani jacket and Valentino skirt and wore it to the Oscars. Up until then, there was a more predictable formula at play. It used to be that the woman who wore a Chanel suit had the handbag, the lipstick, the hairdo, the luggage, and the husband to match.

Today's Chanel woman has a different idea of how things should look. *Elle* magazine reports that Maureen Chiquet, Chanel USA's new president, mixes high and low in a modern way. Her daily uniform is high heels, faded jeans, and a tank top, polished off with a Chanel couture tweed jacket and accessorized with chain-link belts and silver pendants. Chiquet defines the

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new Chanel woman as rooted in classicism yet “forever modern.” She sums up her approach saying, “I’ve always been a rule breaker” and “I’d love for American women to understand that Chanel was one of the most important risk takers of her time.”

No wonder it’s cool to wear Old Navy with new Gucci, Hanes T-shirts with Armani suits, fur stoles with cargo pants and turtlenecks—even Converse high-tops with tuxedos. These days, Westchester mansions are filled with flea market finds. We show off our Michael Graves teakettle from Target in our gourmet kitchens, which might even include cabinets purchased from IKEA.

It’s no surprise, then, that around this same time, prominent designers such as Todd Oldham and Isaac Mizrahi began courting discounters such as Target to sell their designs. *Time* magazine featured a double truck spread of a Michael Graves toilet brush cleaner in an article on design. Philippe Starck designed elaborately chic hotel rooms for Ian Schrager’s budget hotels and personal care products for Japanese 7-Eleven stores. Karl Lagerfeld created a fashion frenzy in the fall of 2004 when he designed a women’s sportswear line exclusively for the cheap-chic fashion emporium H&M. About the same time, Costco became a place to treasure hunt for Hugo Boss cashmere sweaters, not just a big box warehouse store where you went to in order to save a few cents on a case of peanut butter. A new genre of retailing came to prominence and the “upscale discounter” was born. Now *there’s* a paradox.

CONTRADICTIONS EVERYWHERE

It seemed to me that by the late nineties, everywhere I looked I saw contradictory trends as consumers pursued opposites simultaneously. Just as video-game sales skyrocketed, sales of old-fashioned board games took off too. While Sony racked up sales of PlayStation, Cranium became a huge hit. Hasbro began promoting Family Game Nights on the Internet as sales of long-beloved board games such as Monopoly, Scrabble, and Candy Land surged. Consumers craved blips and bytes as well as card-board and dice.

Cars got bigger and more in-your-face (Hummers and super-size SUVs) and smaller and cuter (the VW Beetle and the Mini Cooper) at the same time. Modern microwaves and retro-inspired Viking Ranges coexisted peacefully in today's modern kitchens. Fast food restaurants proliferated, and the Slow Food Movement took off. Our waistlines increased, but so did membership in health clubs across the country. Extreme sports such as rock climbing, kite surfing, and snowboarding took off at the same time that simpler hobbies such as bird watching and scrapbooking enjoyed a major revival.

Today, our homes keep getting bigger, even though the average American family is getting smaller. In 1970, the average new single-family house was fourteen hundred square feet; today, it's twenty-three hundred. Today's McMansions feature spa bathrooms, state-of-the-art kitchens, luxury laundry rooms, and gorgeous garages. But at the other end of the size spectrum is the best-selling book *The Not So Big House* by Minnesota architect

Sarah Susanka. Her simple message—that quality should come before quantity—has sparked a movement that is changing the way many Americans think about their homes. Susanka shows homeowners how to downsize their dream house without diminishing the dream. Dream big. Think small. Be happy. Another paradox? In this world of multiplying abundance, bigger is not necessarily better. Less can in fact be more.

On a parallel note, malls around the country are now so big they practically need their own zip codes. The Mall of America in Bloomington, Minnesota, consists of 4.2 million square feet, making it the largest entertainment and retail complex in the country. It houses more than five hundred stores, along with myriad restaurants and entertainment facilities including an aquarium, a twenty-screen movie theater, a theme park, and a wedding chapel. There is even a special parking lot for the RVs that roll into town from North and South Dakota every back-to-school shopping season. They set up camp right in the mall parking lot, hook up to the electrical outlets provided, and they're off to shop.

Although for those consumers, bigger may be better on one given day, those same consumers may prefer a more charming shopping venue on another. Developers are now building lifestyle malls that seek to replicate the Main Street concept from the fifties and sixties, complete with curving cobbled streets and picket fences. It's like shopping just down the street from home.

Travel has its unique paradoxes as well. The wealthy take private helicopters to their favorite bits of wilderness where they

sleep under canvas. Fashionistas take a budget airline to Nice and, with the money they “save,” spend a weekend at Le Byblos in Saint Tropez. Hilton Hotel ads promise to “take you to the level of care reserved for celebrity, while maintaining your anonymity.” We used to resign ourselves to the idea that you can’t have it both ways. But in many cases, that’s exactly what we’re demanding—and *getting*.

Somewhere along the line we became, according to *British Elle*, “the Ecstasy and Echinacea generation.” Those who insist on eating only the best organic natural foods today think nothing at all of injecting themselves with Botox (essentially a form of botulism) to help nature along a bit.

THE SCHIZOPHRENIC CONSUMER

Michael Silverstein and Neil Fiske effectively profile this new schizophrenic consumer in their book *Trading Up: The New American Luxury*. They describe a Prada-clad woman driving a Mercedes going to Costco to stock up on her bulk paper goods. While there, she picks up a case of Dom Perignon, at a significant savings. Silverstein and Fiske also introduce us to Joe Six-pack, a construction worker earning \$50,000 a year. Joe drinks whatever beer is on sale and dines frequently at McDonald’s to save money. But when it comes to golf—his passion—he thinks nothing of spending thousands of dollars on top-of-the-line equipment.

Bottom line, it’s become hip to contradict. David Brooks points out in his book *Bobos in Paradise: The New Upper Class*

and How They Got There that today's "Bobos," short for "bourgeois bohemians," see nothing contradictory in the fact that they are fanatical about recycling but love driving their gas-guzzling SUVs. Detroit, by the way, recently delivered the perfect product in response to that paradox: the new Ford Escape, a compact hybrid SUV! A paradox on top of an oxymoron.

THE PARADOX OF TOO MUCH CHOICE

So if there isn't one *next big thing*, just what is it that we should all be looking for? I suggest we look at opposite ends of the trend spectrum in order to spot the paradoxes. Charles Handy once said, "The more turbulent the times, the more complex the world, the more paradoxes there are." These days, success belongs to those who learn to embrace complexity by reconciling the contradictions. One need only pick up a newspaper, tune into the nightly news, or attempt to follow the stock market's ups and downs to confirm the turbulent times we live in. With regard to choice, today's consumers have access to an unprecedented number of options, and the task of choosing can be complicated and even overwhelming.

Take the grocery business, for example. If you could time travel back a hundred years or so and enter a typical A&P store somewhere in America, you would discover fewer than three hundred items stocked on its shelves. When I grocery shop today, there are probably three hundred choices on the cereal aisle alone. In fact, the average number of SKUs in the typical grocery store has roughly doubled in the last decade. Today, there are upward

of thirty thousand items to choose from. Confusing? Yes. Challenging? You bet!

The choice-challenged might also have a difficult time at Starbucks. The chain that caffeinates the world prides itself on offering customers an endless variety of customizable options. There are eleven kinds of syrup, six kinds of milk, multiple size options (tall, grande, venti), not to mention extra shots, foam—no foam, “wet,” extra hot, to go, for here, etc. Regional marketing manager Jerry Thorpe estimates that there may be in the neighborhood of nineteen thousand ways to order a cup of coffee at Starbucks. Perhaps you’d be interested in a nonfat half-caff-triple-grande quarter-sweet sugar-free vanilla nonfat-lactaid extra-hot extra-foamy caramel macchiato—a theoretical worst-drink-order-scenario conjured up by some off-duty Starbucks baristas and posted on the blog paulsop.com.

To help put customers in charge of their choices, Starbucks actually created an eighteen-page booklet that deciphers all the options. It even includes a worksheet that enables customers to present their order to the barista in the correct sequence! Sound complex? Yes, it is, but customers have embraced the lingo, and the proof is in the profits.

Consumers may actually *like* choices—perhaps because they offer new ideas, new possibilities, and new options for expressing their individuality.

Have a notion to buy a new car? Here are some statistics that just might drive you crazy. In 2002, *BusinessWeek* did a special report on car design. In 1995, there were only 909 different cars

and light trucks sold in the United States. By 2002, that number rose 44 percent to 1,314.

Carmakers rushed to fill every possible niche in the market, believing that the road to success is paved with endless choice. On top of that, automakers are now offering an endless array of customizable options to those models. Crash ahead? It all depends on how you look at things, but you should definitely fasten your seat belts.

Whether you're buying something as simple as shoes or as complicated as a retirement portfolio, paradoxes abound. Barry Schwartz, in his book *The Paradox of Choice: Less Is More*, points out that faced with too many choices, customers may be so afraid they're not going to make the right choice that they just "decide not to decide."

At the Institute for International Research's Reinventing Consumer Packaged Goods Summit in 2004, J. Walter Smith, president of Yankelovich Partners, highlighted one of the great conundrums of the current retail climate. He said that consumers are beginning to react to a "claustrophobia of abundance." Is it possible that we may actually prefer to have fewer options rather than more?

"THE CHURNING OCEAN OF MILK"

I recently traveled to Siem Riep in Cambodia to visit the ancient temple of Angkor Wat. Built in the twelfth century, Angkor Wat was the world's largest religious building when it was completed, and it remains the world's largest religious complex even today.



“The Churning Ocean of Milk,” Angkor Wat, Cambodia

What could this ancient Khmer monument in a beleaguered Southeast Asian country teach me about paradox?

On the eastern gallery of the temple there’s a fifty-foot tableau called the “Churning Ocean of Milk.” The ancient carving tells the story of eighty-eight gods and ninety-two demons. They are engaged in an endless tug of war, pulling on the body of a giant *naga*—or five-headed snake—suspended over an ocean of milk. It’s a battle that continues for all time without fail.

My guide in Angkor Wat explained that this carving represents a story of the “redemption of a stinking world.” Back and forth, back and forth, the gods and demons pull on the body of the snake. In the process, they stir up the sea of milk so that the fresh milk constantly rises to the surface. Were the churning to cease, according to the legend, the milk would turn sour.

Put another way, the tug of war embraces opposites and celebrates the necessity of paradox in our lives. It illustrates an attempt to make the world new again by balancing the opposing forces in a way that keeps the world fresh and vital.

Let's explore this lesson in today's business world—let's look at Burberry. Since 1856, Burberry has enjoyed a solidly staid reputation as a maker of high-quality, waterproof raincoats, and counted Her Majesty the Queen among its loyal customers. In the past ten years or so, however, Burberry has churned up the status quo and embraced a new view. Today, their trademark red, camel, white, and black-checked plaid has become a fashion icon—used not only on raincoats, but on every imaginable hat, glove, and other accessory—and even on bikinis.

THE TAO OF TREND

Lao-tzu, ancient Chinese sage, understood the essence of paradox long before Angkor Wat was built. He's credited with writing the *Tao Te Ching*, the book of the ancient way, more than twenty-five hundred years ago. Taoism is one of the three great philosophic teachings of China, based around a concept of duality, or polarity.

Unlike our Western religions and philosophies, where we tend to have contrasting extremes—such as heaven and hell, good and evil, pleasure and pain—Eastern-based philosophies tend not to stress differences. Instead, they stress unity and the interrelationship of all things—especially opposites. This is the concept that the yin and yang symbol represents and embodies.

Lest you begin to think I'm trying to foist off a new (or very, very old) religion on you, let me explain further. Taoism is not an ideology or a new age movement. Rather, it's a living philosophy, a way of thinking and of looking at the world. When all is said and done, Taoism is about being comfortable with change, and change, if you think about it, is the only constant.

Lao-tzu said, "When opposites supplement each other, everything is harmonious." The *Tao Te Ching* teaches us that wisdom is derived from paradox, and paradox is a result of contradictions in our observations and conclusions. To Lao-tzu, contradictions often reveal a deep truth, but to modern science, contradictions indicate an error. Personally, I'm with Lao-tzu on this one.

Embracing this philosophy can help point the way out of a retail environment that is obsessed with touting "the next big thing." It propels us toward a new philosophy where we learn to live with opposites and embrace paradox. In one instance, providing consumers a multitude of options may be appropriate. In another, a single choice may suffice. It is the challenge of each marketer to wrestle with his or her own paradoxes—to ponder what matters most to the specific target audience.

EMBRACING PARADOX

F. Scott Fitzgerald once said that "the test of a first-class mind is the ability to hold two opposing ideas in the head at the same time and still be able to function." It's my belief that at the heart of every consumer, there is a paradox. Psychologists tell us that

there are two basic human desires: There is the desire to fit in, to belong to something. It might be a family, a tribe, an organization, a club, a cult, or even a gang. At the opposite end of the spectrum is the second basic human desire: the desire we all have to stand out, to be perceived as an individual, a unique being unlike any other on the planet.

The chapters that follow will take a look at several examples and key macro trends in the marketplace that at first glance appear to be strictly contradictory and not at all harmonious. Upon further investigation, however—if you can hold two opposing ideas in your head at the same time—they provide insights and ideas that, by the very essence of their paradox, can inspire new ideas.

Many companies get caught in the trap of trying to identify the *one right answer* to the question “What will be the next big thing?” when there may not be only one best method or one optimal approach. Perhaps it flies in the face of conventional wisdom in today’s business world to abandon our black-and-white thinking and choose, instead, to inhabit the gray area. And yet, by embracing whatever contradictions you may be facing, I am confident the *right* answers will ultimately make themselves known.

I’m always quick to point out that I don’t necessarily have the answers to all of your marketing challenges. I do, however, have some worthy insights and some unique ideas that I am confident will help you to see the world with new eyes. You, the experts of your own businesses, will need to look for specific ways to embrace the paradoxes that make up your world, and offer your customers a fresh perspective on your own business.