

Ground Breaking Success: Design and Marketing Strategies
By Kay Green

With the current trend in the housing market today, especially in the south, builders have become used to buyers waiting in line for a new phase to open so that they can quickly purchase a new home. However, it is important for us understand that the housing market may not always be this way. With that in mind, the focus of my part of this program is to look at important emerging markets so that we keep our “tools sharpened” and expand our minds to consider markets that we may not have previously thought about or considered.

GEN-X (ages 27-37) and GEN-Y (ages 18-26)

Several publications that I have read lately have given an enormous amount of credit to the number of first time homebuyers belonging to this part of the market. I have read accounts of anywhere from 25% to 40% of the homebuyers last year fitting into this market segment.

- This sector of homebuyers are confident, bright and computer savvy. They grew up with wireless communication, Total Request Live, and liberal allowances.
- To capture this market, merchandisers and builders will have to create and develop a strategy that surpasses that of the Baby Boomers.
- It is important to reflect on how we did business in the past and understand that we cannot do business as we always have done. We must focus on the way of the future as it pertains to developing business, designing homes and creating advertising programs.
- Cyber Stations, Wireless Internet Access, and a culturally appropriate place to “hang out” in Sales Centers are options to be considered when targeting this market. Variety is quite acceptable as they are open to discovering brands on their own.

This market is sometimes called: “The Millennials” or the “Sesame Street Generation”

The latchkey life that many of these Gen-Xs and Gen-Ys experienced, often are not what they want their children to experience. They often will have huge great rooms that will pose as interesting and exciting “after school” locations for their children. That is why home entertainment is high on their list of priorities. And often, they want to focus their time within the privacy and shelter of their own outdoor spaces. Every decision is critical for these young consumers. Knowing that they have made a wise choice enhances their confidence. They feel that what they buy represents who they are.

- It is important to offer a variety of choices in the design center, as these buyers know what they want.
- Organizing the flow of the process is wise by coordinating materials, styles, colors, floor coverings, cabinets and countertops.
- Knowledgeable purchasers will many times contract for a more expensive home once they have had the opportunity to recognize the value in a better quality and design of a product.

- Diversity plays an important role in the look that appeals to these buyers. Pottery Barn, Ikea and others have done a terrific job in providing a pleasing yet affordable trendy look. Like some of their parents and grandparents before them, these buyers are more interested in the latest styles and colors, and have a tendency not to think about lasting appeal. Collectables are usually not of interest to these buyers.
- It is important to understand that these buyers are also more accepting of multifamily / high-density communities with a credible standard of living.

MULTI-CULTURAL MARKET

There is an increasingly growing minority market. These numbers are growing so rapidly that the combined segments will soon outnumber the current majority population segment. These ethnic consumers are young, strong and prosperous. Out with the old and in with the “new America”! Yes, America is changing. And, authentic connection is the key to establishing and maintaining associations with the multi-cultural consumer. Promoting sales to this new audience requires an ability to identify the buyers’ unique difference and needs. The importance of sharing market research with the Interior Merchandiser will become even greater than in the past. To maintain that spirited edge, home builders and merchandisers must be alert to the fact that over the next decade, Americans that are purchasing homes will be ethnically and culturally different than in the past. This is all the more present with first time homebuyers.

Hispanics

By the year 2010, the Hispanic population will represent one out of every four consumers. Today’s Hispanics are more educated and much more affluent than the previous decade. It is a consumer fact that salsa now outsells ketchup in this country!

- Traditional Hispanic family roles are ever changing. The Hispanic family is experiencing an evolution in the role of the Hispanic woman. These women are now adding to the household income and participating in the decision making process for the family. The Hispanic family continues to be deeply rooted in its cultural values and will consistently put the needs of their families before others.
- Defining homes for these groups will consist of warm bright colors. Vivid ceramics and artfully carved wood pieces that are suggestive of the homelands will play an important role in the model home.
- Merchandising to this homebuyer requires an understanding of the family dynamics. The Hispanic family often occupies multi-generational living space. Children, parents and grandparents will frequently reside in the same home.
- Large family meals remain important. The kitchen area requires careful attention. The kitchen table also remains an area for multiple generations. These are all key elements to consider when making sure that the home reflects a comfortable style. Traditional styles and strong accent colors can also provide this environment, conveying a feeling of timelessness.

Asian Americans

It is important to understand that the furniture and design industries are keeping a watchful eye on the Asian American buyer who is impressed with more straight lined style, dark wood furniture. Although this market

is very broad, there are two ways to perceive the preferred merchandising style of this segment: a contemporary clean line and a more traditional Asian influenced environment. The wonderful thing about Asian decorating is that it will appeal to both Asian and non-Asian buyers.

Merchandisers should pay respect to the interweaving of multiple generations

- Patterns in wall coverings and fabrics do not appeal to this market.
- Bamboo, silk and linen should be the direction to take when focusing on textures. This segment is attracted to neutral colors, however red is also a color of choice. Red is still revered as the “color of good fortune” in Asia.
- Since Asian countries continue to provide the latest technologies, it is important to display the newest and most updated choices in kitchen and baths. A great merchandising tool for this market is to show a computer in every room possible. In the kitchen making sure that all of the latest kitchen appliances are displayed. Cabinets should be sleeker and more contemporary.
- This market of buyers will spend money in order to get what they want.
- The Asian consumer loves to travel and collect souvenirs that should be displayed without a chaotic appearance.

African Americans

Similar to Asians, this market is attracted to things that promote status, achievement and the reassurance of an established reliability. African Americans tend to be a loyal consumer group and will refer other buyers to a particular builder or brand.

- This buyer wants to see unusual touches. Bold and brilliant colors are most attractive to these consumers.
- Strong, rich colors should be the focal point.
- African Americans tend to like more eclectic, contemporary looks. Transitional inspired style interests this market, graphic wall coverings and fabrics; “frilly” accessories should be avoided.
- The kitchen is an important influence. According to Kraft Foods, the African American family spends 30% more on groceries each week, than the US population at large.
- It is important to focus merchandising in the formal dining room, or a space that defines a formal dining area. This is also the case with a floor plan that does not include a separate family room. Focus on conveying a lifestyle of entertainment and fun. Decorate with unique accessories and art.
- Be aware that “culture” means very different things from one person to the next. Subtlety is important. This group consists of Americans, Africans, Caribbean’s, etc.
- This consumer loves to travel and collect souvenirs that should be displayed without a chaotic appearance.

Women Buyers

In the United States today, women influence 80% of all financial decisions. Women also own 40% of all small businesses. Many first time homebuyers are single women. Faith Popcorn’s book, “Eve-olution” outlines many of the buying habits of women. Women want to live in safe communities. The Design Center and the upgrades program are also very important to women buyers. Women want to complete their homes with lots of options.

- More Cash + More Stress = More Ways To Relax
- Many women buyers are juggling their careers at work and their responsibilities at home.
- Women expect their home to be a safe haven to escape from the world.
- Bathrooms that have “spa-like” options are important to women. Lavish tubs, spa showers or both, are amenities that women desire to have.

- Also appealing to women are kitchens that reflect stainless steel industrial type ranges. Many of the baby boomers never had the time to cook and entertain. As their lives slow down, there is a renewed interest in cooking and entertaining at home.
- Relaxing outdoor spaces that are properly merchandised will show this consumer extra space.

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