

QUANTIFYING TRENDS IN SPAIN: HABITAT TRENDS MARKET SHARE

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ABSTRACT

The purpose of this paper is to make a direct contribution to management strategies for companies in habitat-related sectors, with the final consumer and trends at the core of these strategies.

Firstly, as well as exploring trends detected by the Habitat Trends Observatory (HTO), this investigation aims to contribute some rules and strategies that will guide companies when they apply trends in their own business situation. This will enable them to introduce creative techniques and strategies at different levels - business management, marketing, commercial distribution - which serve to apply trends in the habitat sector.

Secondly, the quantitative study conducted will reveal the market share of each trend studied by the HTO, so that, with an estimate of each trend's market potential, companies will have a tool for focusing product portfolios and associated communication and distribution actions.

To date, the work of the Habitat Trends Observatory has been limited to identifying adopted and emerging trends. This study seeks to go a step further towards practical application in companies.

1. INTRODUCTION

The Habitat Trends Observatory (HTO), a research structure shared by the Instituto de Tecnología Cerámica (ITC) and the furniture (AIDIMA) and textile (AI-TEX) technology institutes, has always conducted studies to analyse and catalogue habitat trends using a custom in-house methodology. These trends are defined based on a detailed study of variables related to:

- Social and cultural environment (culture, society, economy, technology, demographics and family, values, etc.)
- Communication and the Market (distribution, communication, marketing, graphic design, etc.)
- The Habitat (town planning, architecture, interior design, furniture, ceramics, coverings, lighting, home textiles, home automation, etc.).

The result of this research is a trends map that sets out all existing habitat trends, from adopted and emerging trends to those that may have an impact on future developments of products and services of our industry in the medium term. We also present the relationships between them.

We therefore offer an in-depth study of trends, their reasons and causes, exploring the concepts behind each product developed for the habitat and investigating which needs these products meet. This enables management of balanced business policies of trends with a mature life cycle, and new developments based on emerging trends that will replace or expand them.

However, notwithstanding the scope of our investigation into trends, we needed to take a step further and to encourage boards of directors to use trends as a powerful management tool. Not only was it necessary to give companies practical examples of guidelines and strategies, but also how to apply trends to their own companies. We also believe in the need to provide quantitative data on the market potential of each trend analysed, in order to ascertain how many potential consumers there are for each trend in each target market for habitat products. That is why this study is based on success stories to quantify trends in the Spanish market as a starting point, which will be extended to other countries in the years to come.

How can I apply trends in my company? How many users feel identified with each trend? Or stated in corporate language, "How many users are potential consumers for each trend?"

The investigation conducted answered these questions and the qualitative information on trends has been translated into a language the allows management decisions to be taken based on quantitative data on market potential. Guidelines and strategies are also provided to enable companies to adapt trends to their specific cases.

2. QUALITATIVE RESEARCH: HOW SHOULD TRENDS BE APPLIED?

Although there are numerous strategies for reaching users in an innovative way, in this study we have brought together a set of tools that may mean the difference between anticipating and following. These are design culture, what makes you unique, viral creativity, design for all, the transparent company, apps for an easy world, social networks, alternative distribution and the green factor.

Using this list of tools and specific examples, we show how companies can make changes that make them more approachable to specific user segments by creating products, as well as communication and distribution actions or strategies.

These cases are examples of lateral thinking, in other words, thinking about how to do things in a different way, proposing a departure from the usual way of thinking to which we are accustomed, enabling us to generate new business models. Most of the time, innovation does not consist of starting from scratch but of finding inspiration 'here and there' to create something new that can satisfy market needs and create products and projects that are valuable to users and are also profitable to the company.

2.1. The design culture

The design area is now extremely mature. It is a recognised professional activity, as well as being part of our culture, which has led to a growing design culture. In fact, the Museum of Modern Art (MoMa) in New York recognises design as a facet of art. Including design in culture and the arts has led to the proliferation of design museums and galleries (where this is also distributed), as well as the introduction of design in commercial art circuits (icons, limited editions from recognised designers). The design culture itself is capable of attracting certain types of people who are interested in these topics, because the company has this concept in its vision. Its development has then led this to become a tourist attraction, as is the case of VitraHaus by Vitra.

To work with this type of strategies, design culture must be treated as a business strategy, or it will not be credible.

2.2. What makes you unique

Much of the time, finding what makes you unique, special, what is known as the *WOW!* factor, is what makes you stand out from the competition, showing that you really are unique, a specialist in what you do and without doubt the very best. The *WOW!* factor is used to describe what makes you unique and how it can be used and taken advantage of. It is what attracts people to you, your company and your products. The term is now used very frequently in business and consultancy language, especially with regard to entrepreneurs and new companies. One exam-

ple of this strategy is that of Cire Trudon, where the company recovered its DNA thanks to a range of product that were evidence of its experience and know-how.

Reflecting on the true excellence of the company and reconsidering the mission and vision of the company itself are key to working with this strategy. Being open to change and finding people to promote it, such as an art director or design manager, are also core factors. Sometimes such people can be found within the company, while at other times they must be sought from outside, but in any case companies need to know what their objectives are (identified in the first point). There are support centres for hiring from outside.

2.3. Viral creativity

With regard to viral creativity, *design thinking* needs to be taken into account, thinking of innovation that applies mental design processes, co-creation and creativity in general. Many companies are starting to use different profiles and creative techniques to innovate and to find different ways of doing things.

In terms of innovation laboratories, for example the Roca Innovation Lab, these have multidisciplinary teams (different profiles and different nationalities) that conduct research into certain areas and apply creative techniques in the initial phases of innovation. In the case of co-creation, experts and users are available in different phases of product generation, because they have experience in the problem or situation to be resolved and/or they are going to be users of the product.

2.4. The transparent company

On the other hand, we see how the rules of communication between companies (issuers) and consumers (receivers) have changed, because the latter now expect brands to behave more honestly. There is a lot of information, sometimes too much, and it has to be filtered. In any case, users now know much more and can access all the information they need with just a click. These users appreciate honesty and transparent companies. In communication, a simple, universal, comprehensible and reliable language is essential. One example of this is the packaging done by Bendita gloria for Casa Mariol, an exercise in graphic design in *Word* and *Excel*, which tells consumers about the characteristics of the wine and what to pair it with.

Companies completely understand their "company personality", generating a culture capable of connecting with their potential clients. They also need skills to transmit the company's DNA in all corporate communications, in all tools that come into contact with users. With regard to graphic design and communication, the idea is to generate honest, simple, friendly and transparent communication that meets the organisation's current needs.

2.5. Design for all

The challenge is 'simple': Why not offer practical, simple, well-explained solutions beyond the product and designed for a minority but which are of benefit to the majority? A clear, universal language suitable for all interlocutors is what has been used in the case of Samsung's 'Out of the Box' venture, which explains to the elderly how mobiles work, which has led to the creation of a language that can be understood by anybody, an exercise in design for all.

In design processes, companies should be capable of generating processes and interfaces that relate with users who work to simplify and reduce it to content that is really important and essential for users.

2.6. Social networks

In terms of communication, technology is having a growing impact on consumer habits. Firstly, companies can use **social networks** to have conversations with users, who sometimes become fans or friends. This is what happened with **Gallina Blanca online**, which with its well-established yet traditional image has managed to gain young followers, thus changing its user profile thanks to social networks.

The web is user territory, which is why companies need to understand their language and codes and to be useful. It is also based on trust and, in the same way as human relationships, it is a question of give and take. Networks should be looked on as yet another customer service, but more social and immediate, to understand their needs and frustrations.

2.7. Apps for an easier world

On the other hand, technology is leading to the appearance of extremely reliable applications that give users easy access to reliable information aimed at immediacy. They are apps for an easier world. These apps make it easier to have informal conversations, but a great deal of effort is invested in them by companies. The fact is that we live in a culture of immediacy and to achieve effective communication we have to manage company resources well and take advantage of applications like Stylepark, an application you can use to download any information about habitat products.

2.8. The Green factor

Another way of encouraging sustainability, the green factor, is by helping people to embrace the concept with, for example cars with fewer emissions and learning to drive in a less contaminating way, such as the Fiat eco:Drive.

The development of information technologies has given users access to a vast amount of data and information, to the extent that it can be difficult to decide just how useful or important it is (infoxication). In this case, the data and information provided by the company is an extra service for consumers and becomes knowled-

ge when processed by the consumer. Users harness the technology for their own benefit, firstly to increase their knowledge of driving (obtaining information) and then for reducing CO2 emissions and saving fuel (saving money and having less impact on the environment).

2.9. Alternative distribution

Lastly, at street level, companies are exploring alternative methods of distribution suiting the changes taking place in all sectors. They are looking for points of sale capable of attracting the attention of consumers that are increasingly immune to traditional sales strategies. For example, Vinçon's window dressing's appeal's to the public's critical conscience.

This strategy appeals to companies to generate points of sale based on austerity. One technique for this is identifying the type of language capable of having an impact and which is going to be appreciated by the establishment's target audience. This includes staying away from purely aesthetic choices and exploring the concept of transmission. Packaging constitutes another type of media which can be used to express interesting artistic ideas.

3. QUANTITATIVE RESEARCH: FOR WHOM SHOULD TRENDS BE APPLIED?

The main purpose of the research was to obtain objective data that would make it possible to identify profiles and to measure how many potential consumers there are in Spain for each trend detected by the HTO, including trends that have already been adopted and emerging trends.

To do this it has been necessary to develop a scale as a trend measurement tool for each of the concepts behind the trend.

As well as its primary objective, it was intended to achieve the following:

- Identify and quantify how many "Early Habitat Adopters" there are in Spain. These are people who adopt emerging trends very quickly. The idea is to determine if they behave differently from other consumers, identify which trends they find more acceptable and whether these trends can be introduced more quickly in homes.
- Have a method for measuring new formats of emerging families. There is a need to know not only that there are new ways of living in Spain but how many there are, how they live and what habitat trends with which they identify most closely.
- Study relationships between people and their homes based on their lifestyles.

3.1. Methodology

1. We looked at the need to define a methodology that would make each trend tangible in a measurable way. To do this, it was necessary to measure aspects such as rationality, emotionality, critical nature, proposition, sustainability, excess and the search for well-being, among others, and how these aspects materialised in the home. These concepts lie behind each trend observed to a certain extent.

Because of this, a measurement scale was developed for the trends underlying each concept, which comprised specific statements (items) that explained different aspects of these concepts.

2. What's more, with regard to the objective of having a means of identifying and quantifying new ways of living, it was considered essential to create an instrument that would allow us to do this measurement. We included questions that took both the morphology of homes and the scale of values present in these homes into account (for example, "I live alone because I value freedom").
3. To detect the presence of "Early adopters" in habitat trends, the Goldsmith and Hofacker's domain-specific Innovativeness (1991) scale, adapted to the habitat, was used.
4. The "Lifestyle in the Home" variable was built to measure the relationship between individuals and their homes based on the activities they did there and how frequently they did them, based on the benefits that people expected from their homes and on their view of them.
5. To achieve the objectives of the research, a quantitative study was carried out on a sample in Spain which would make it possible to quantify the potential market in this country for each trend and their relationship with styles and life in and outside the home.

3.2. Some results

Some conclusions drawn from the results obtained from measuring the concepts are set out below, although the complete results will be detailed in the actual presentation of the paper.

- A total of 53.7% of those surveyed saw rationality as relevant when buying products for the home. This user profile views finding information and comparing alternatives before taking a decision as priority aspects as important as home security and home organisation.
- A total of 58.1% of those surveyed considered emotionality important when buying products for the home. In other words, this percentage of those surveyed considered their homes an extension of the way they are. They love ambiances with personality and want their homes to transmit sensations and not to be impersonal.

- A total of 56.4% are not interested in provocation when it comes to buying products for the home. Therefore, they do not agree with statements such as "I want my house to be surprising and to have an effect on everybody" or "I am radical when it comes to decorating my home, I don't like discretion".
- With regard to sustainability, 54% are indifferent to this aspect when it comes to choosing a product. This is because we consider sustainability proactively in our studio, for introducing sustainable measures into the home or buying sustainable products in preference to the rest.
- When it comes to well-being, 54.8% believe leading a balanced, stress-free life is important and it is essential that their homes should help them to re-charge their batteries.
- The functional aspect is considered important to 65% of those surveyed. This means making decisions to buy based on useful and practical aspects, which are convenient to use and easy to clean.
- A total of 61% are indifferent to the social concept. The same applies to sustainability. With this concept we were looking for proactive consumers who are involved in social activities, who look for consumer alternatives and who prefer to buy products from independent firms rather than mass produced goods by large companies. Therefore, although 26.6% of consumers identify, most of them are indifferent.

Finally, with respect to trends measurement, we present the results obtained with regard to emerging trends in 2010/2011:

- The trend for New Classics was one with which 51% of those surveyed felt identified. The consumer profile which lies behind each trend is a very rational, conservative and emotional type who dislike excess and provocation.
- Everyday Solutions is a trend with which 48.3% felt identified. These are very positive-forward thinking consumers in that they like to try new things, change their decor and think about how to improve things. These consumers also seek functionality in terms of utility, practicality and convenience. These people strongly dislike excess and they are not at all conservative.
- The Essentials are consumers who want simplicity and well-being in the home. Neither sophisticated nor excessive, this type of consumer uses only what he needs, seeking simplicity in the home. They see their homes as a place for relaxing, recharging their batteries and finding some personal down time. A total of 43.7% of those surveyed feel identified with this trend.
- The type of consumer found in the Sublime by Hand category is a person who values the emotionality and plurality of things above all else. They like their homes to include decor from different cultures and definitely consider their homes as an extension of their way of being. This consumer profile strives for ambiances with personality, which transmit sensations, rather than worry

about the functionality of the home. A total of 40.5% of those surveyed feel identified with this trend.

- A total of 43.2% felt identified with the Once Upon a Future trend. These consumers are forward looking, seeking simplicity and emotionality and rejecting conservatism.
- Basic & Raw are much more rational consumers who want their homes to be simple. They prioritise aspects such as order, security and comfort and, naturally, they do not like excess. Among those surveyed, 33% are potential followers of this trend.
- Finally, the Mind The Green trend is a trend supported only by 28% of those surveyed. However, the remaining 72% feel indifferent rather than rejecting it. The consumers behind this trend are very rational, extremely concerned with social issues, primarily sustainability. They are against hedonism, individuality and excess. They are willing to pay more for ecological products; they are concerned with introducing sustainable models in the home and buying products manufactured with materials that are kind to the environment.

The presentation will detail all the results of the research and methodology generated to measure the market associated with each trend. However, several monographs will be published based on the results obtained: monograph 2011 1st part: "How to apply trends. Business case studies" and monograph 2011 2nd part: "For whom should trends be applied? Consumer profiles and potential market for trends".

4. CONCLUSIONS

The cases presented describe companies that have made an important or paradigmatic change at some time in their history or have followed a strategy that was usual in the sector in companies with similar characteristics, represent a clear innovation in their sector. Whether these are established companies, younger, family firms or large corporations, they have all known how to anticipate user demands or react to them quickly and efficiently.

The nine strategies proposed, although not unique, are tools for innovation aligned with the trends presented within the project. It also presents a panorama of possibilities for working with trends.

With regard to the quantitative development of the study, this research intends to be a management tool for the company for taking strategic decisions. The results of this research will give companies information on market trends and the possibility of discovering the potential market associated with each trend and the consumer-related aspects behind each of these.

This will make it possible to take decisions regarding management of the current product, incorporation of new references, communication management and distribution of products, always with the final consumer as the backbone of the strategy.

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