

Your Business & the New Consumer

**Presentation by John McManus, Editor-in-Chief of
American Demographics magazine, sponsored by
the Economic Development Board.**

29 April 2004

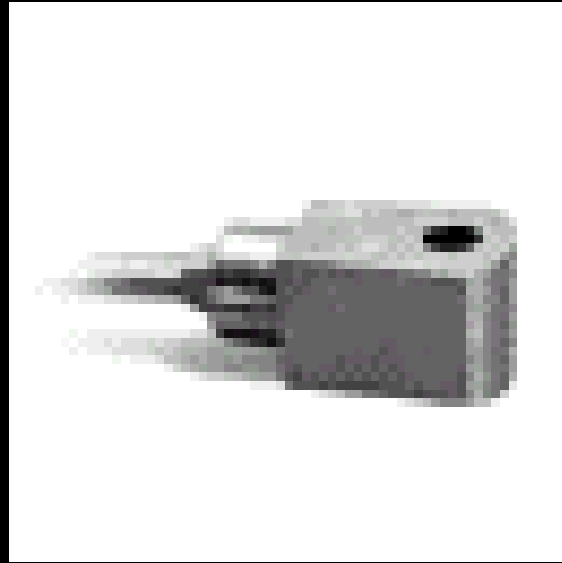
AMERICAN
demographics

Here we are...



Let's take a journey, shall we...?

What changes?

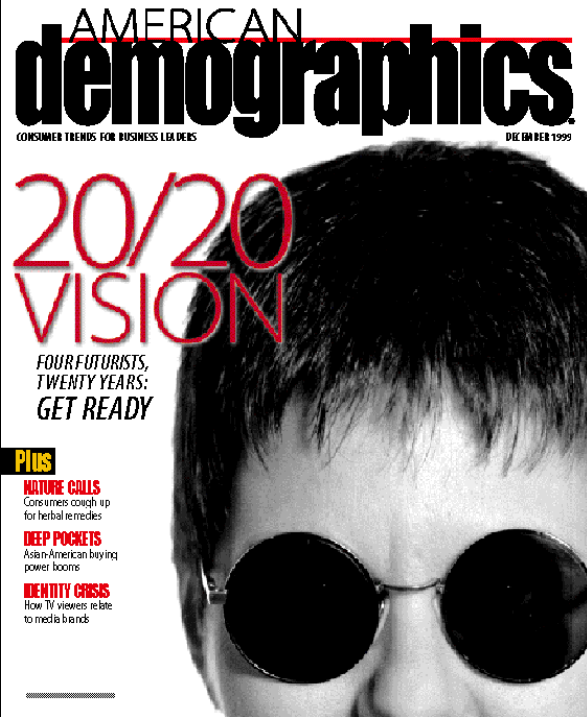


*What doesn't
change?*



Can we see the forest for the trees?

KIDS AND CASH: Where they get it, how they spend it...and save it

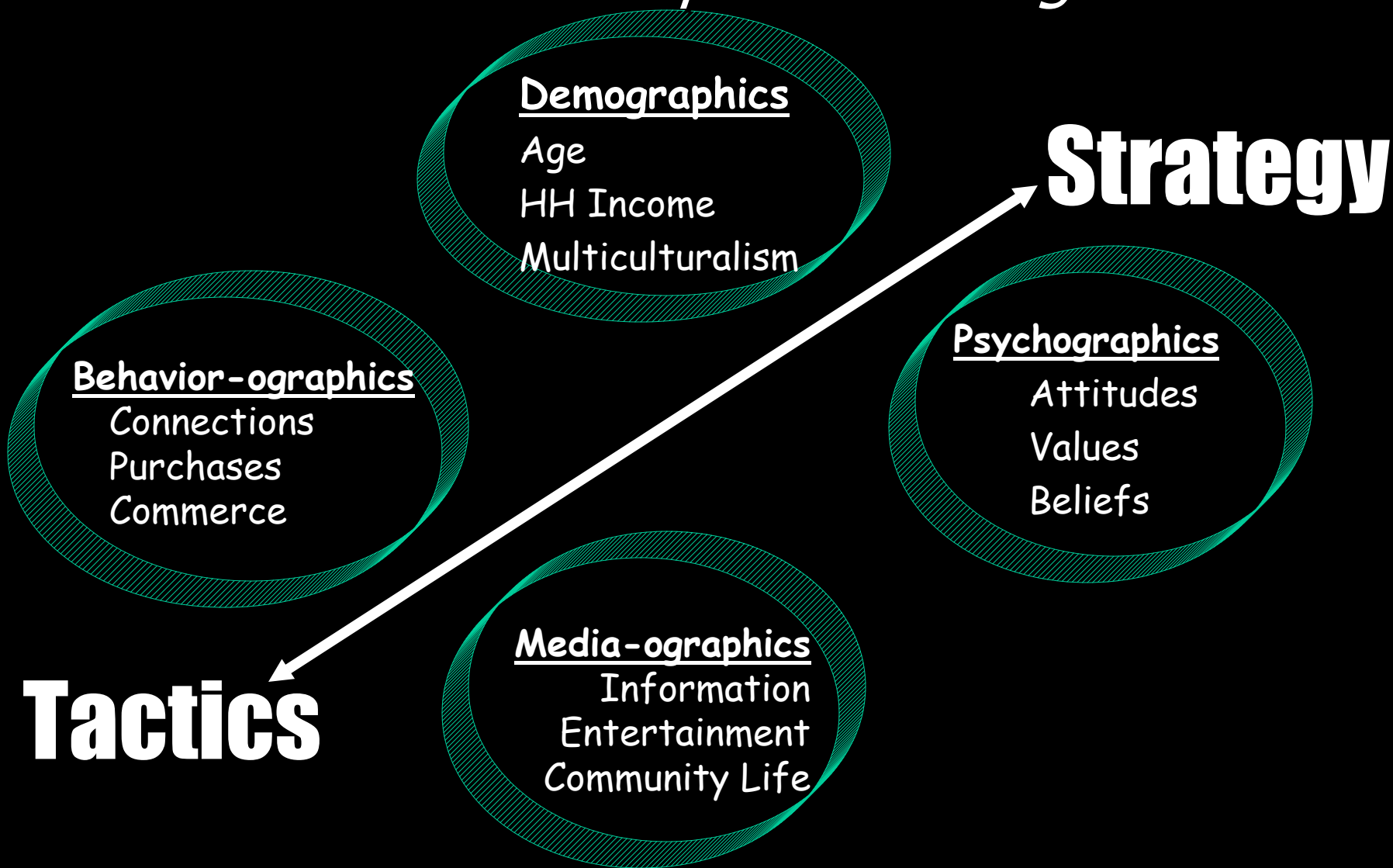


Peering Into Your Future

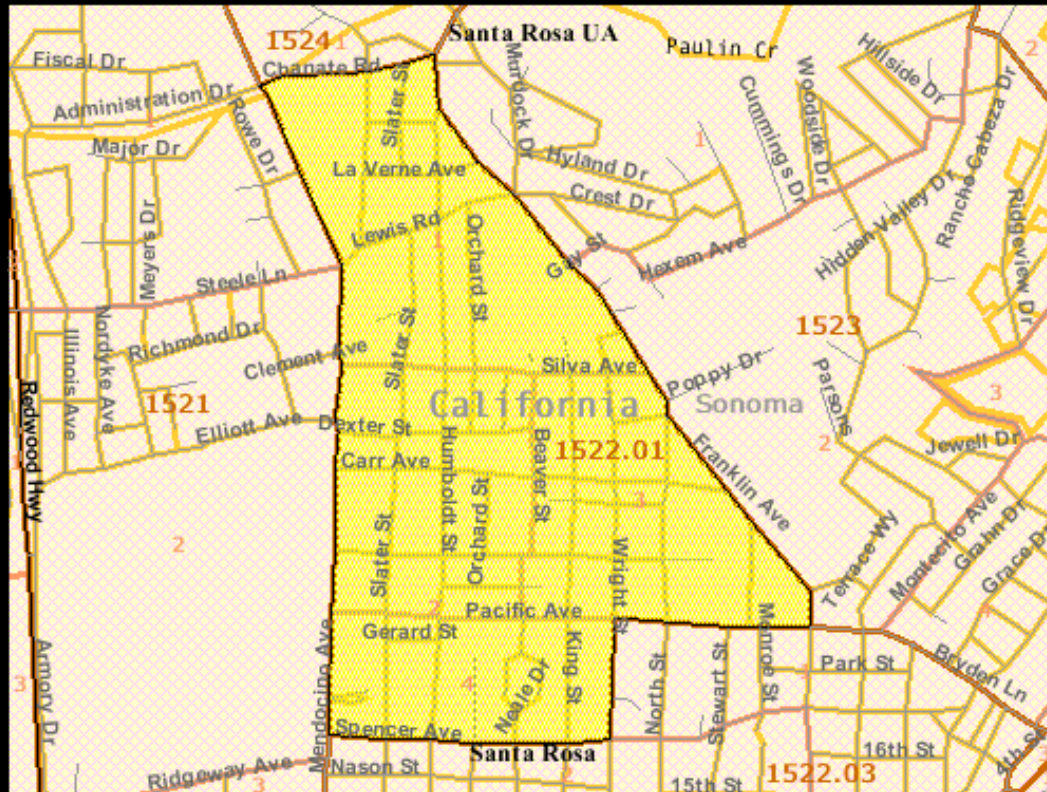


Not to predict, to prepare

Trend Lenses = People's Evolving Needs

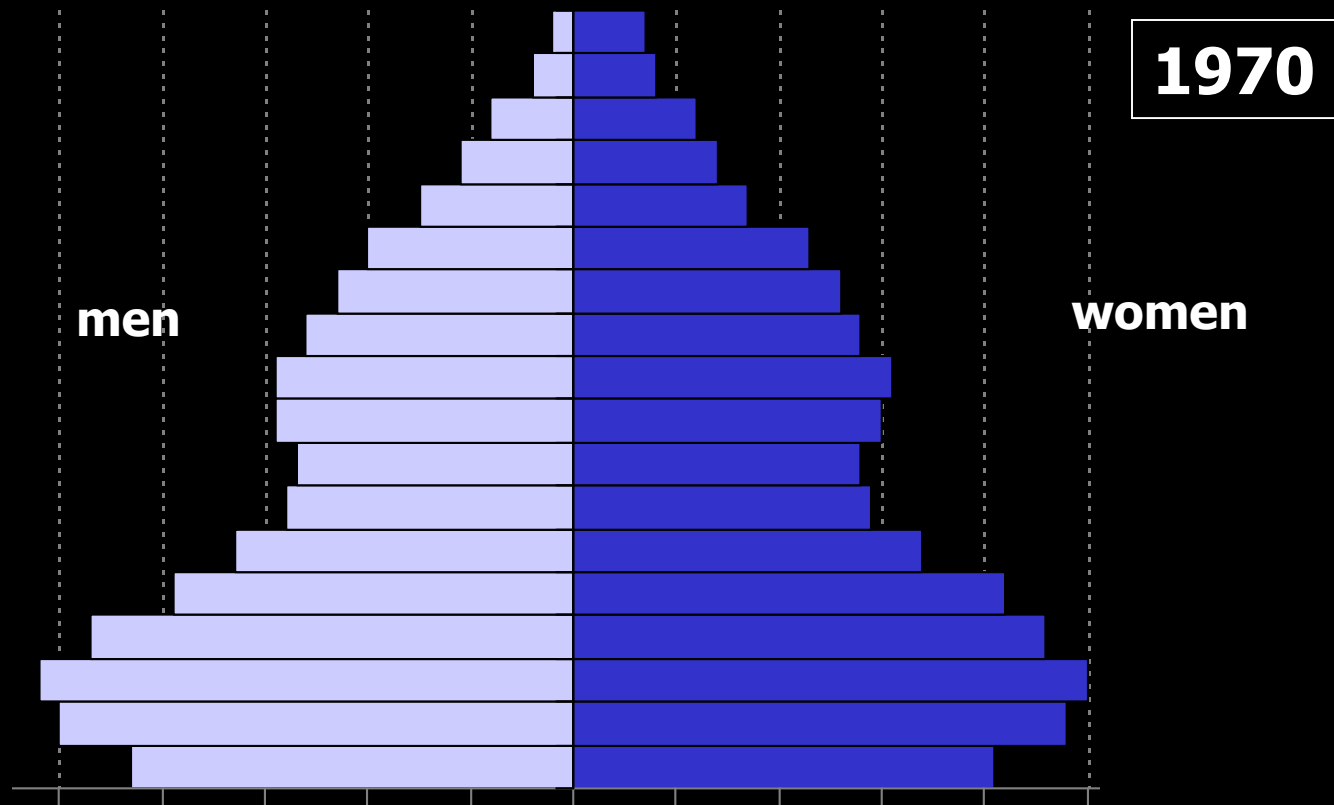


Macro Trends vs. Micro Trends



By the way, please interrupt!

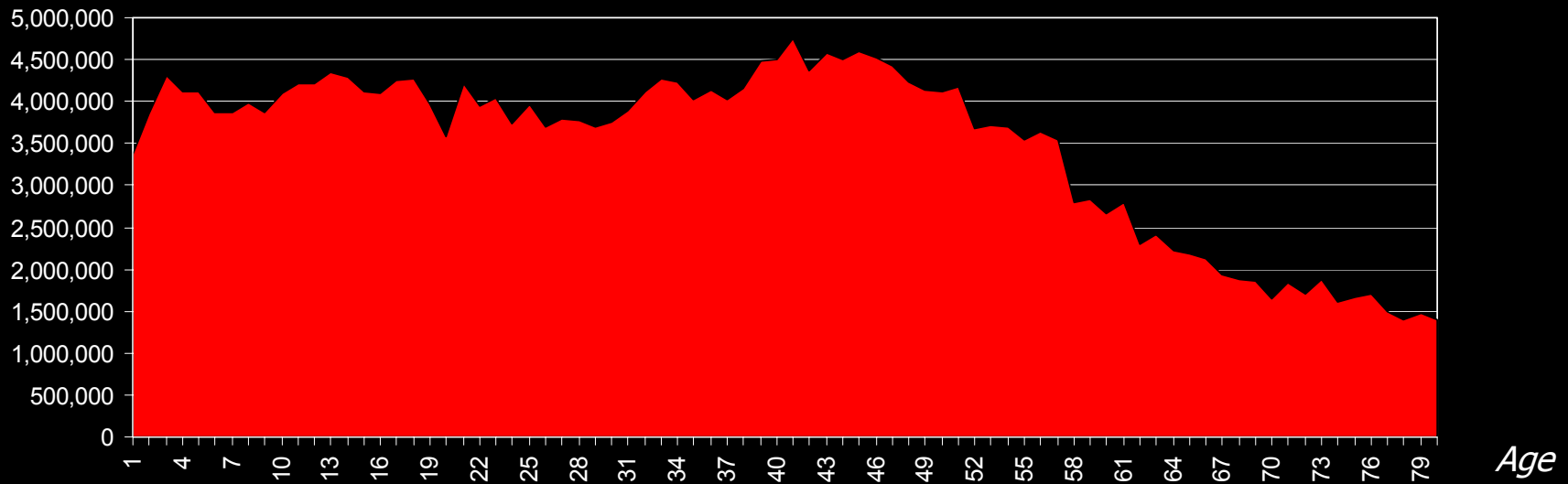
Historical Population Pyramid



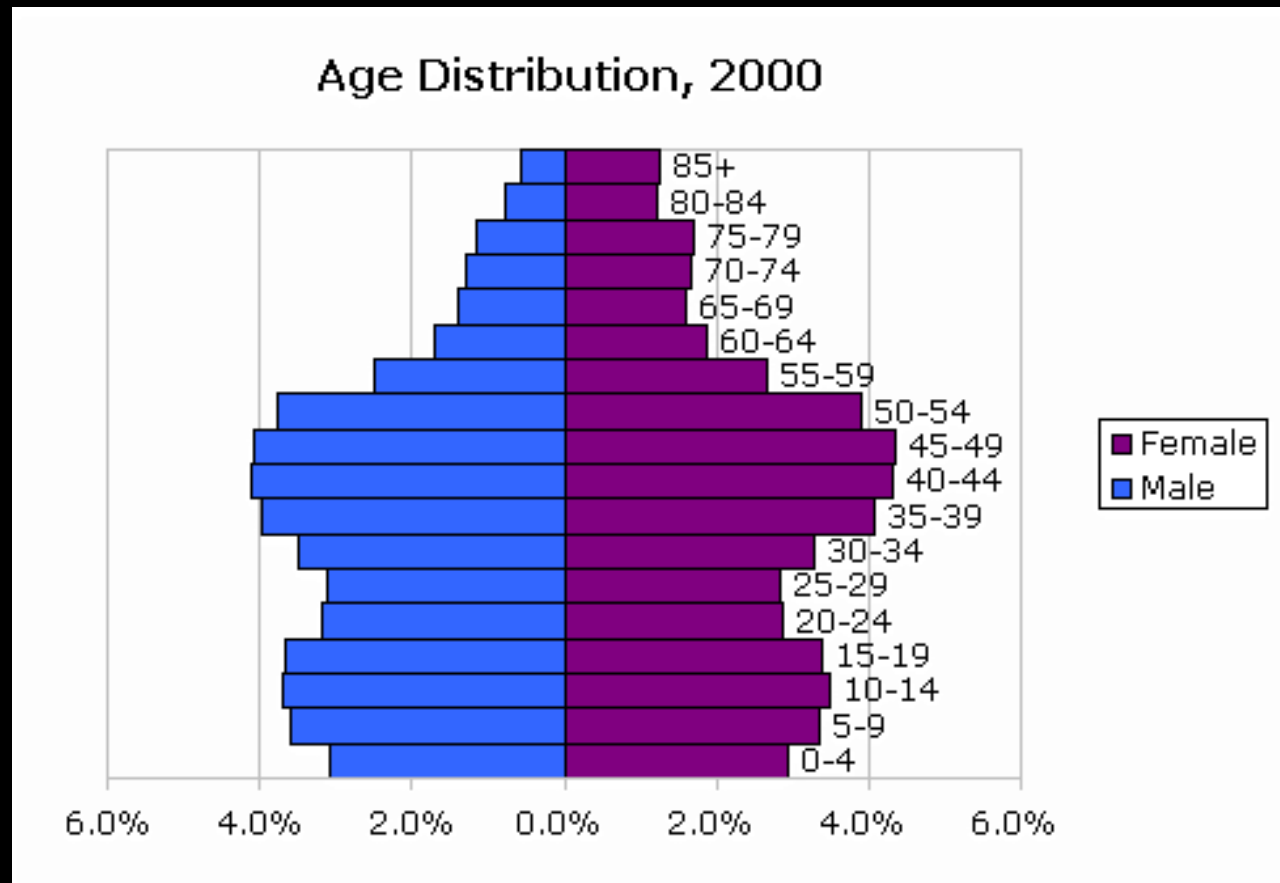
- (percent of population)

The snake that ate the pig: Birthrate + Life Expectancy = ?

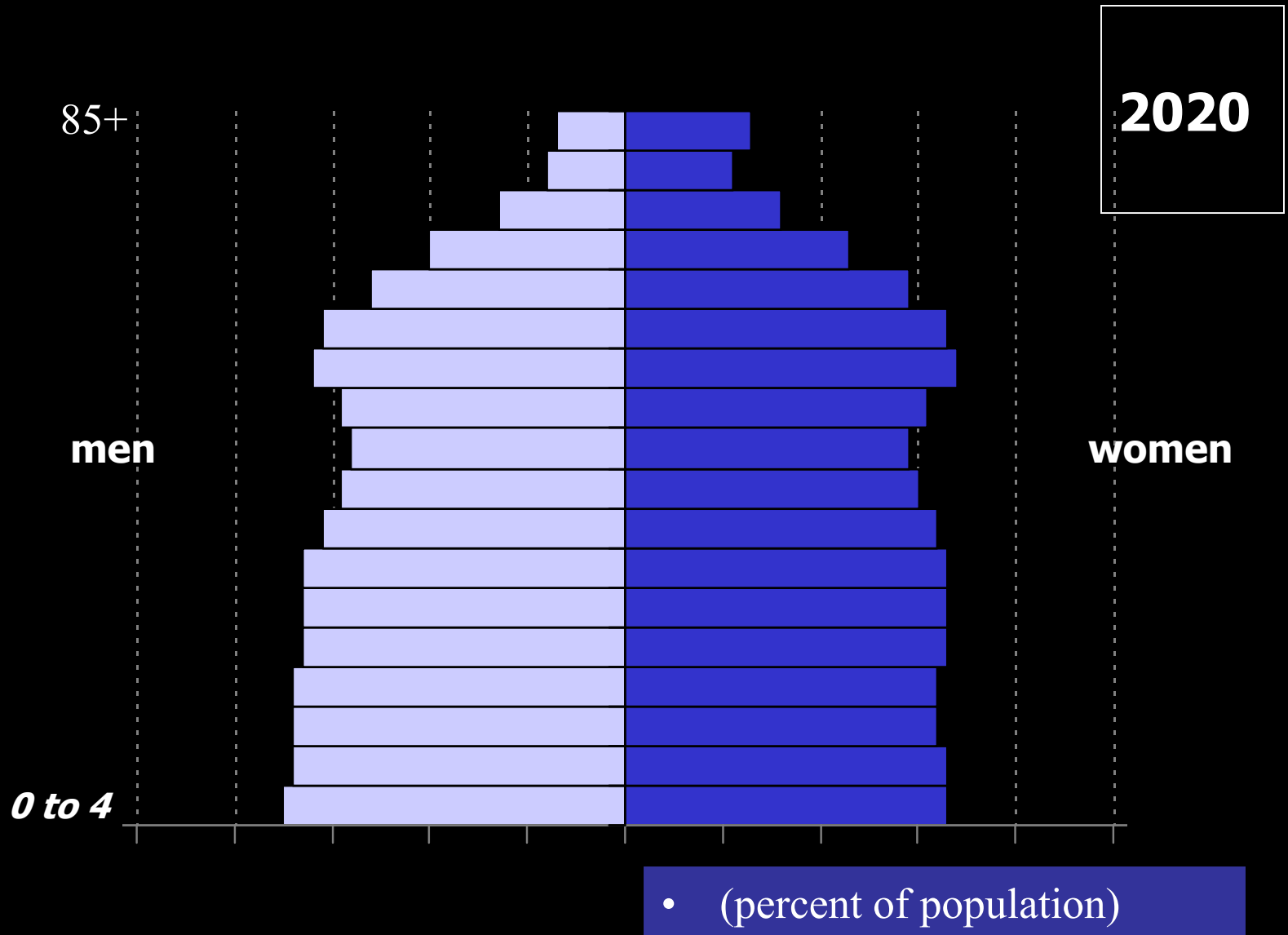
Current Population



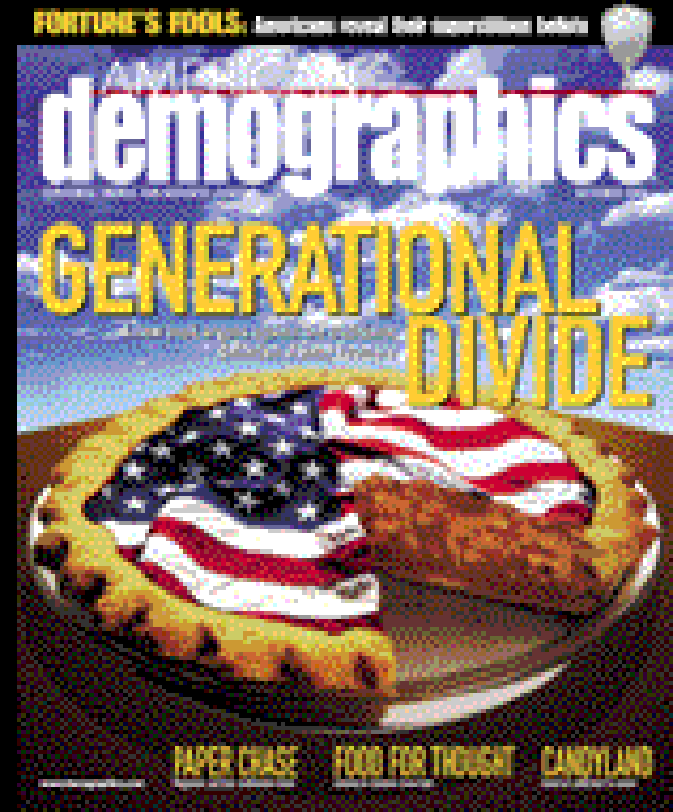
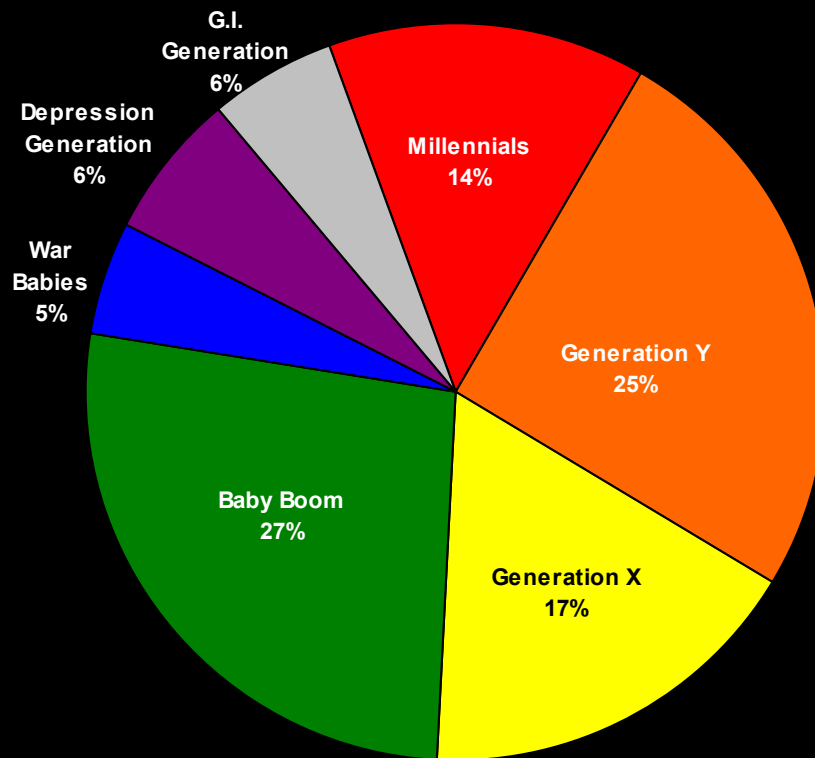
"Pillarization" of our population



The Future: Aging Culture "sitting on" Youth Culture



Generations: A La Mode



Household Diversity, 2000

- (household composition, 2000)

Married couples
W/out children 28.2%

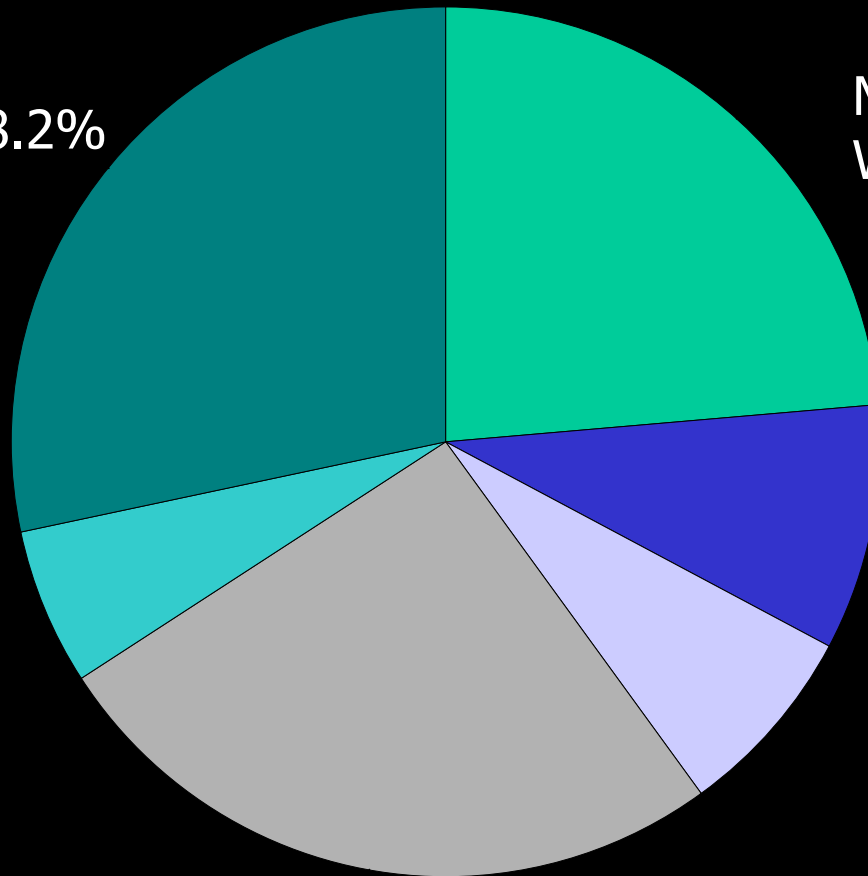
Married couples
W/children 23.5%

Other families
With
children 9.2%

Other non-family
Households 6%

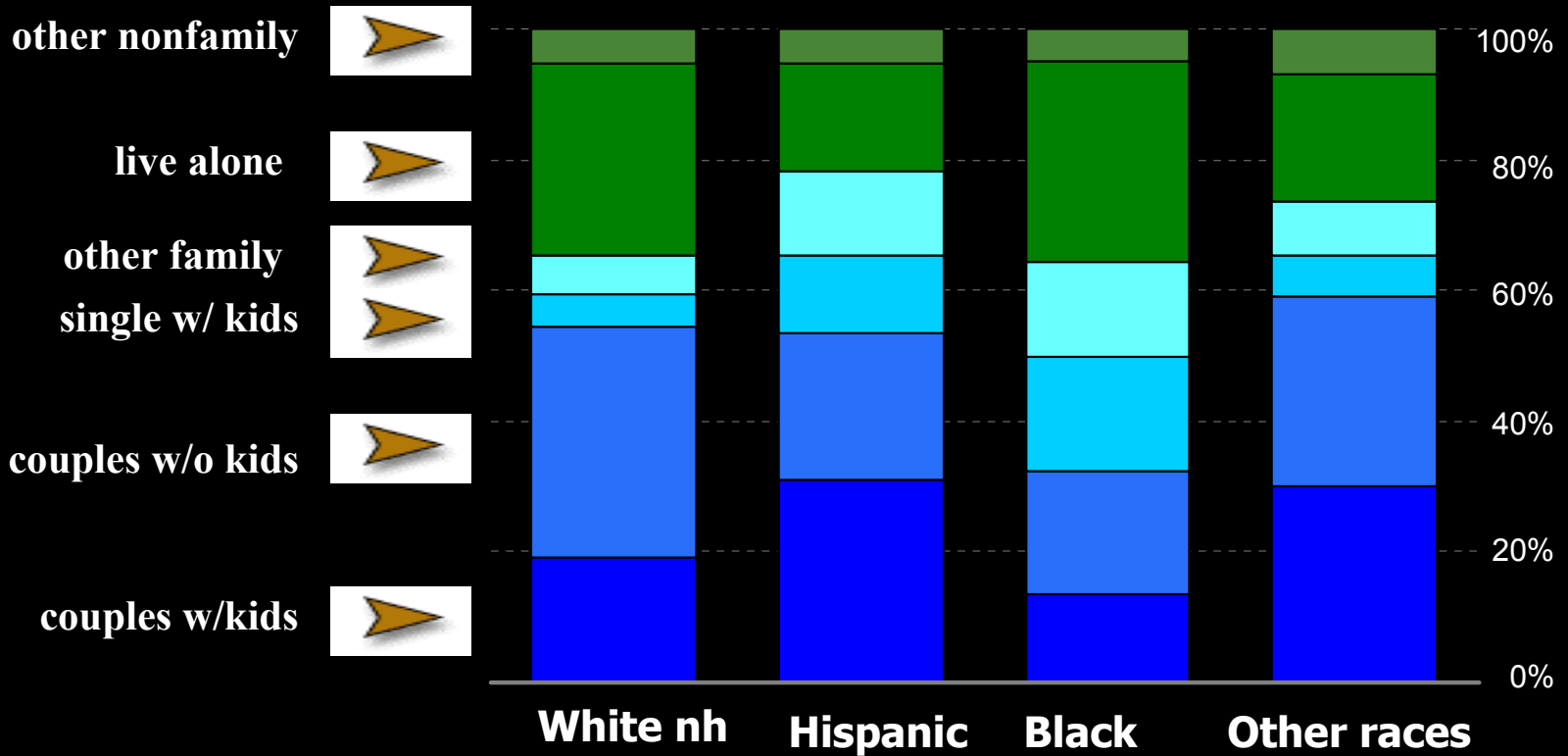
Other families
Without
children 7%

People living
Alone 25.8%



Household Diversity, 2020

• (households by type, 2020)



Megatrends

Polarization
vs.
Homogenization



Greatest Brain Gaining Metro Regions

Atlanta, GA MSA	76,443
Phoenix-Mesa, AZ MSA	63,084
Dallas-Fort Worth, TX CMSA	54,814
San Francisco-Oakland-San Jose, CA CMSA	48,614
Denver-Boulder-Greeley, CO CMSA	40,973
Seattle-Tacoma-Bremerton, WA CMSA	36,941
Las Vegas, NV-AZ MSA	35,015
Charlotte-Gastonia-Rock Hill, NC-SC MSA	32,144
Portland-Salem, OR-WA CMSA	29,818
West Palm Beach-Boca Raton, FL MSA	25,337
Tampa-St. Petersburg-Clearwater, FL MSA	23,378
Houston-Galveston-Brazoria, TX CMSA	22,220
Orlando, FL MSA	21,863
Austin-San Marcos, TX MSA	18,442
Raleigh-Durham-Chapel Hill, NC MSA	17,097

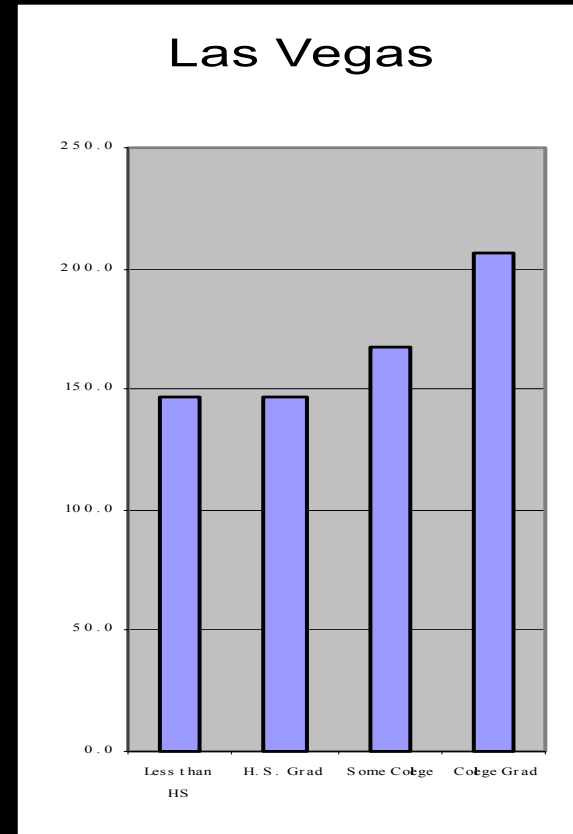
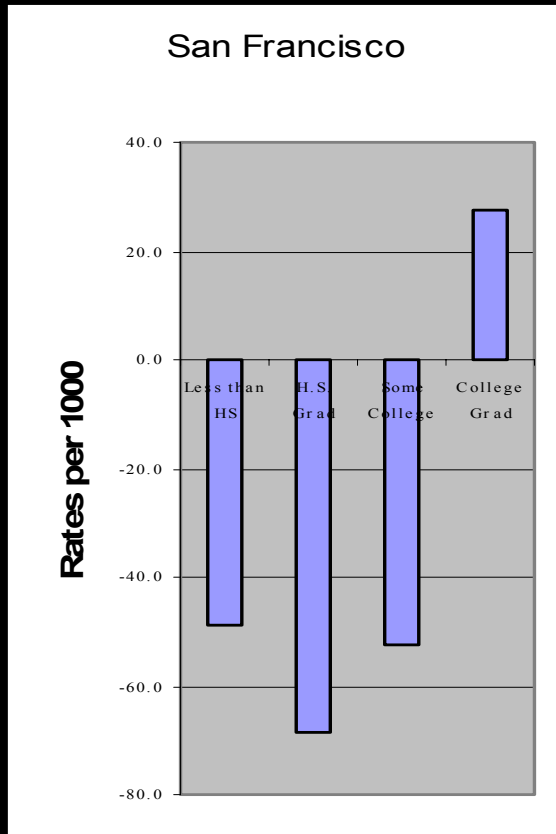
(net domestic migration gains, 1995-2000 among college graduates adults, aged 25 and older)

Greatest Brain Draining Metro Regions

NY-Northern New Jersey-Long Island, NY-NJ-CT-PA CMSA	-122,000
Chicago-Gary-Kenosha, IL-IN-WI CMSA	-29,647
Pittsburgh, PA MSA	-20,065
Detroit-Ann Arbor-Flint, MI CMSA	-17,244
Buffalo-Niagara Falls, NY MSA	-17,171
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD CMSA	-16,491
Los Angeles-Riverside-Orange County, CA CMSA	-15,008
Rochester, NY MSA	-14,539
New Orleans, LA MSA	-12,579
Boston-Worcester-Lawrence, MA-NH-ME-CT CMSA	-11,544
Oklahoma City, OK MSA	-9,085
Cleveland-Akron, OH CMSA	-8,034
St. Louis, MO-IL MSA	-7,014
Milwaukee-Racine, WI CMSA	-6,005
Hartford, CT NECMA	-3,744

(net domestic migration gains, 1995-2000 among college gradates adults, aged 25 and older)

Brain Gainers: "Just College" vs. Broad Based



The cost of housing effect

THE PRE-2K CONSUMER LANDSCAPE

- Mass scale
- Fewer media inputs
- Fewer distribution channels
- Longer manufacturing cycles
- Less parity and commoditization
- More homogeneity in consumption
- J. Wanamaker: *"Half my advertising..."*

Megatrends—Peer Polarization

- Aging vs. Youth
- Multiculturalism vs. “White minority”
- Financial “Haves” vs. “Have nots”
- Health “haves” vs. “have nots”
- Value vs. unvalued

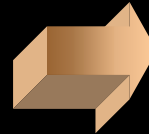
A FAST, DYNAMIC EVOLUTION Technology

TECHNOLOGY

KINNECTOLOGY

POWER:

Is in the machine



Is in connections,
access

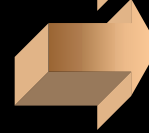
USE:

Limited to in-the-box



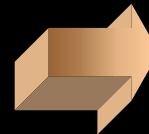
Is out-of-the-box

GROWTH: Comes
from new inventions



Comes from new
combinations

MARKET: Business



Anyone who needs
to be connected

Impacts on Your "New" Customer

"Cheap"
Lasers

Impacts on Your "New" Customer

"Cheap"
Genome
Research
Solutions

Impacts on Your "New" Customer

RFID

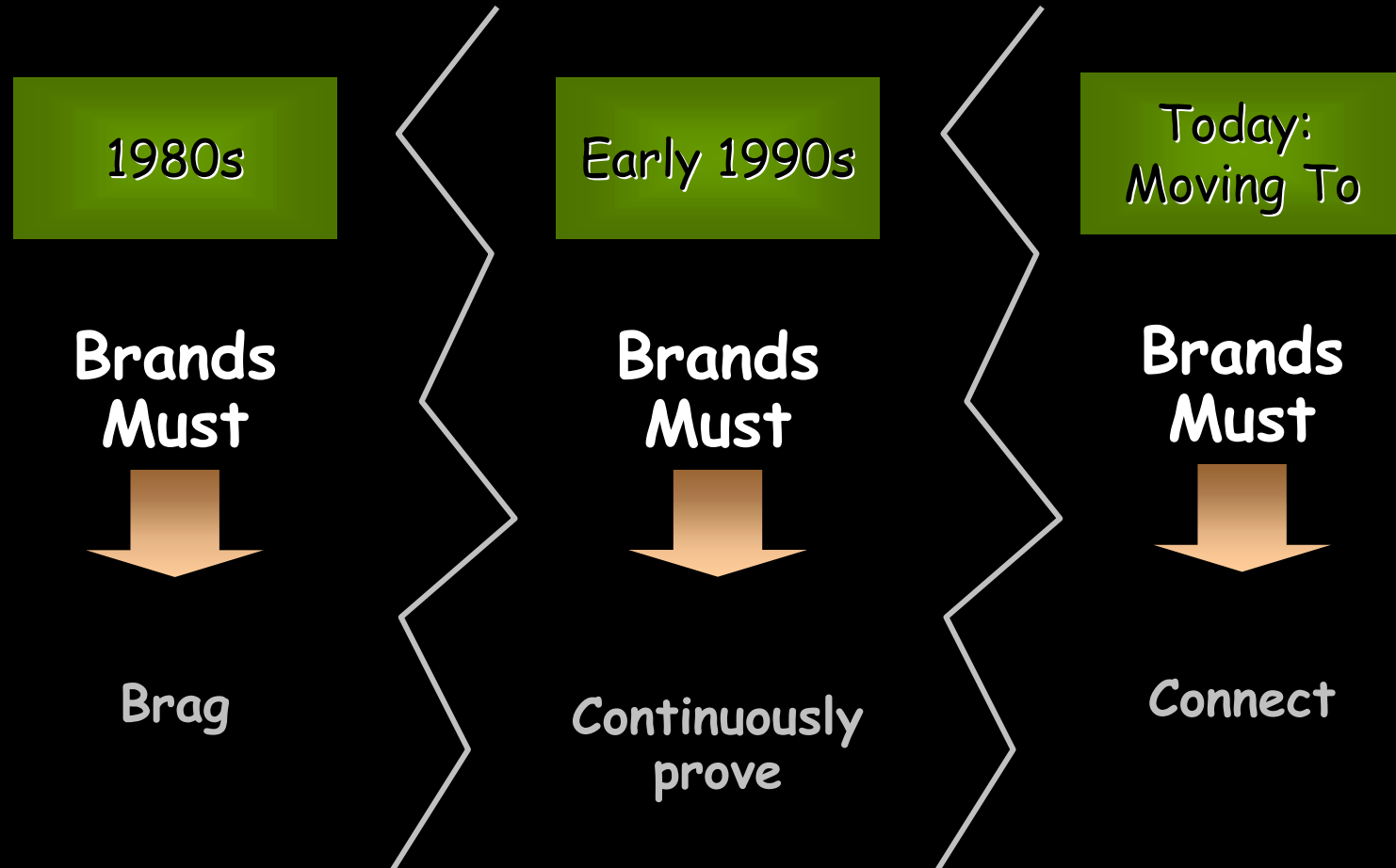
Packaging

Product Dev.

Interactivity

Tracking

EVOLUTION OF BRANDS



The Experience Economy

Coffee – Beans, Branded can, Cup-a, Starbucks

BMW – Marketing cost per vehicle

Ketchup vs. Mustard

BRANDING EQUALS MANAGING PROFITABILITY

AMERICANdemographics

