

Small Business Futures

Market Trends and Opportunities: Picking Winners

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Engaging Regional Small Businesses

- Mission: Engage regional small business operators in strategic business planning
 - Hello? Hello? Is there anybody left in the room?
- Tactics
 - Don't mention training
 - Don't mention research
 - Hit the hip-pocket
- *Small Business Futures*
 - customised workshops & forthcoming book
 - content highlights and outcomes

SBF Contents

- How will the next five years be different to the last?
- How are your customers changing?
- Who are the emerging 'power consumers'?
- What about the internet?
- How can a small businesses compete?
- What are the new small business opportunity 'hot spots'?

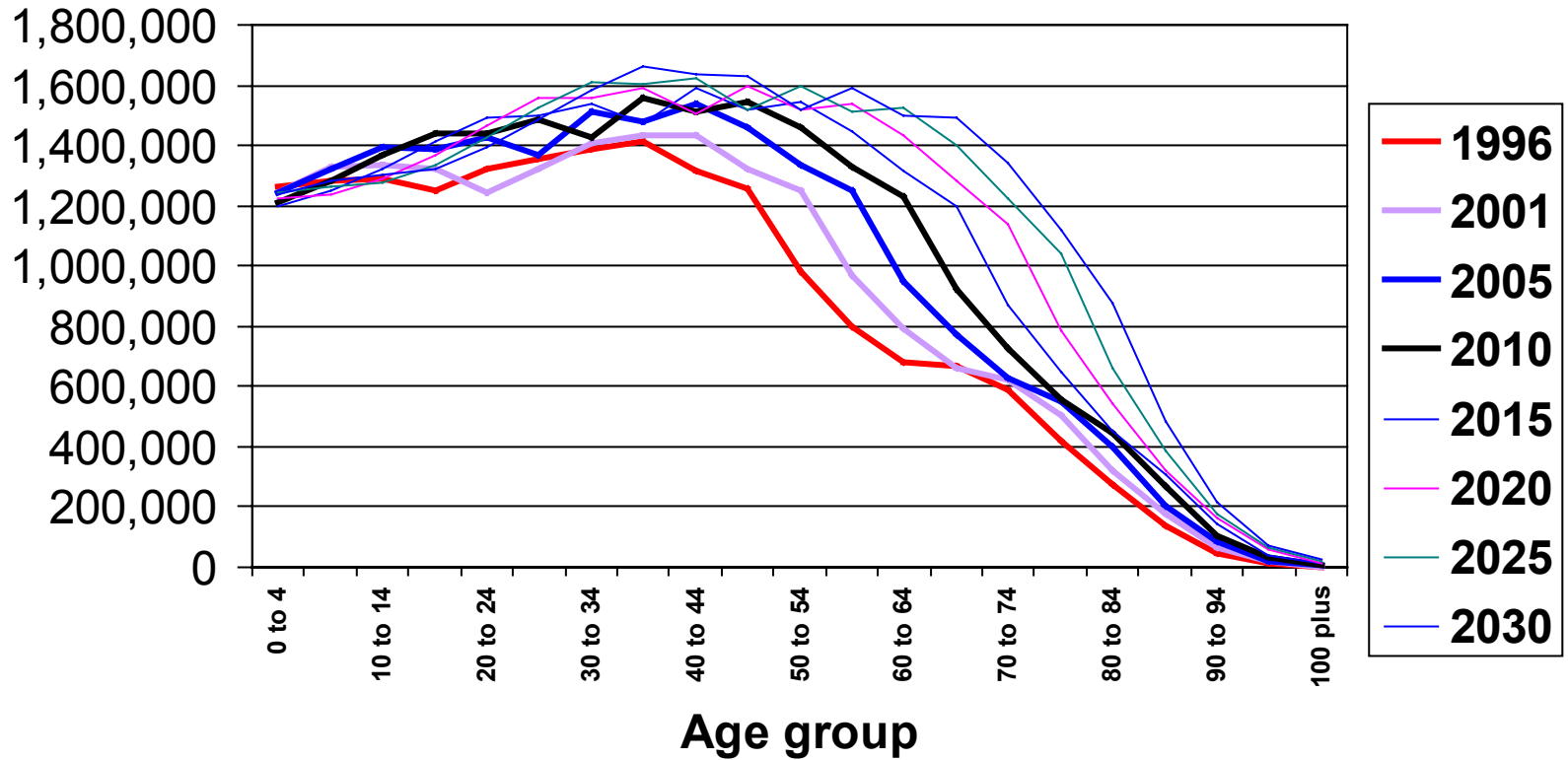
2005 is a turning point

- End of the housing boom
- Business outsourcing rush of the 1990s has slowed to a trickle
- The leading edge of the baby boomers are moving into retirement
- Moderate and falling unemployment is giving way to low unemployment and skills shortages
- Petrol prices are rising sharply
- Inflation has been under 4%, but interest rates have bottomed
- US economy is picking up while Asian economies continue growth

Social change too

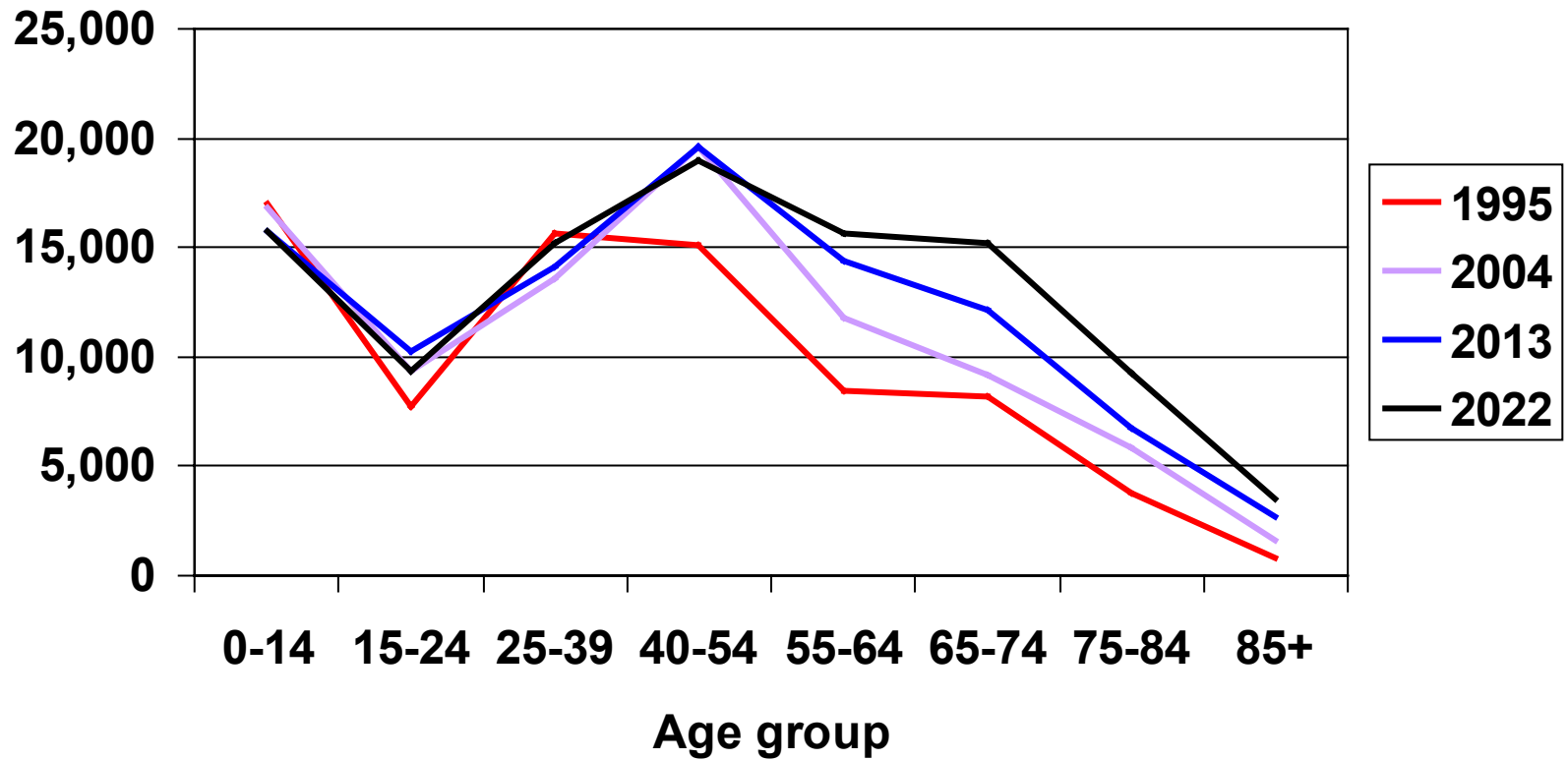
- The leading edge of the baby boomers are moving into retirement
- Generation X is moving into positions of authority in politics and business – bringing a new set of values and demands
- Generation Y is starting to make its presence felt in the workplace, and is already a major consumer force
- The nature of our households is changing as
 - More of us are living alone
 - Grown-up children are staying at home longer (and longer and longer!)
 - Fewer of us marry, and marriages are shorter
 - Fewer women are having children and those that do are having them later in life

We are changing



Source: ABS National Population Projections (Series B) 2003 – ABS Cat 3222.0.

Southeast NSW population forecasts



Source: NSW Local Government and Shires Associations projections by Dr Natalie Jackson, 2004. The numbers are based only on population mix and birth/aging/migration trends, and do not take economic or other initiatives into account.

How Customers are Changing

- Value
- Trust
- Globalising
- Personalising



Personalised chocolates from M&Ms ...

www.mms.com



Personalised stamps from Australia Post, \$23 for 20 x 50-cent stamps. www.australiapost.com.au



“Friendships Bloom With My Twinn ...”
www.mytwinn.com, US\$119+

Emerging 'Power Consumers'

- **Three emerging power consumer groups will drive purchasing over the next decade:**
 - **Wealth-driven Upshifters**
 - **Quality-driven Downshifters**
 - **Active and Affluent Retirees**

Wealth-driven Upshifters

- Career-oriented, highly paid singles, DINKs, SKINs
- % of full-time male employees working over 60 hrs/wk?
- **15**
- % households earning over \$2,000/wk?
- **13**
- Time is the new 'luxury good'



Too busy to cook, but need the kudos?

www.dreamdinner.com, for 12 to 24 guests ...

Quality-driven Downshiffters

- Turn away from rat race to 'downshift' to slower paced lifestyle - often out of cities
- Not 'new-age dreamers' that have 'opted out'
- Want both - lifestyle AND goodies
- How many Downshiffters?
- **23%**

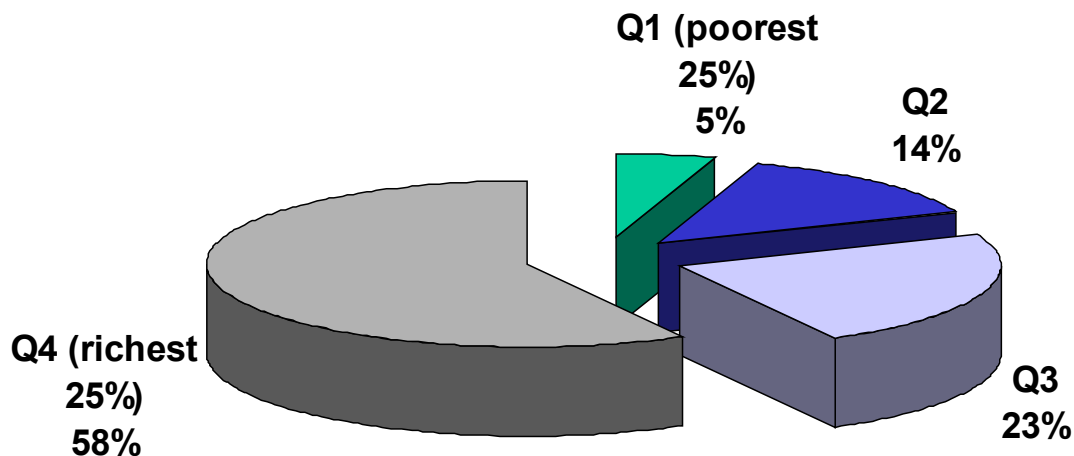


13
types of
olive oil

and

19
types of
vinegar

Active and affluent retirees



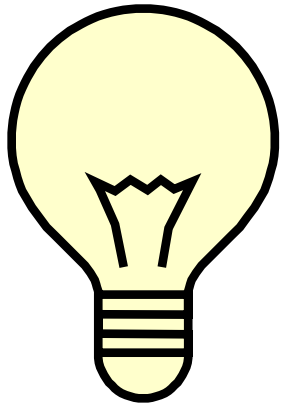
Retiree wealth is polarised – richest 1/4 \$559,000 per person, next 1/4 \$223,000 per person (AMP/NATSEM)

Over 60s may not all be big spenders individually, their number expected to double over the next 25 years



Just 3.5% of Australians over 65 need help with daily living (TAI)

Perisher Blue's season lift tickets



Your Business

- What do you know about your high value customers?
- How would your business change if 23% of customers focused more on quality than price?
- How will double the number of over 60s affect your business?

Small Business Opportunity Hot Spots

- Individuals doing what business did
- Households 'outsourcing'
 - Household services
 - Gardening, cleaning, cooking, design, pet care
 - Child and aged (and pet!) care
 - Health & recreation
 - Personal fitness, massage, well-being, counselling, learning, travel
 - Knowledge brokers
 - Finance & mortgage brokers, coaching, IT/web

Opportunity knocking

- Rapid growth in household expenditure
 - Forecast to keep rising by \$150 per household per year
- Who wants to be a millionaire?
 - \$1 million more *each year* for every 16,000 people ... local and personal

Outcomes

High ratings for content and provocativeness

‘Great to have such professional and relevant information presented close to home’

‘ Great tips, will adopt immediately!’

‘Great – great opportunity for audience participation and discussion’

‘Overall a fabulous seminar, very relevant and useful information for our business, thank you!’

‘It was excellent!!’

Implications

- What next?
 - Participants motivated to undertake strategic business planning
- Want access to
 - Business advice
 - Mentoring
 - Peer coaching *SpringBoard*-type program
 - Other business development services



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