

The Transformational Consumer

By Stan Pohmer

When sales are tough to come by, as they have been over the past four or five years, our natural instinct is to try to appeal to the widest group of consumers possible because we equate body



Stan Pohmer

count to sales. But if we're honest with ourselves, deep down we intuitively know that the bulk of our sales comes from a relatively small percentage of our customers (the Pareto Principle, more commonly known as the 80/20 Rule that I've referred to in past articles).

It's not the number of

customers that matters, it's focusing on the right customers that provides the best payback and results! These very important customers should be cherished and recognized as your Most Valued Customers (MVCs), but sometimes we don't always communicate or demonstrate their importance to us or devote the time, effort, energy and financial resources necessary to make their shopping experiences unique, develop and recognize their loyalty, or personalize our relationship with them.

We clearly have an opportunity to build stronger businesses by better understanding who our MVCs are and to find ways to solidify stronger relationships with them. And we also have opportunities to cultivate new customers, such as Generation Y and others not currently engaged in buying the products we offer. Opportunities abound, but let's focus on the MVCs for this discussion.

As an industry, we traditionally try to put each customer into specific buckets, generally defined by demographics. We have Boomers who have been our industry's backbone and still spend the most dollars with us. We have the Gen X'ers, the smaller and often overlooked (at least for our products) buying group. And we have the Gen Y'ers, who are heavy on numbers, but a little light on spendability, and not yet really engaged or familiar with our products. Then we have the customers we define as the price-driven value customers that favor the mass market and big boxes, versus the experiential high-service

customer the locally owned garden centers try to lay claim to as their own.

All of these are important in our attempt to understand exactly who our customer is, so we can develop products, services and marketing initiatives that address each group's specific needs, wants and desires. However, in much of our analysis, we spend the majority of our time looking for differences between the groups, creating a lot of demographic-specific programs, rather than trying to identify the commonalities between the groups that we can leverage for broader impact and, hopefully, success.

American Dream Rethink

Let's consider some traits, characteristics and movements that aren't age or income based; they're cross-generational factors that are shared by all demographic groups that might help shape your thinking and approaches to your business.

As a byproduct of the economic downturn and the changing consumer mindset we've talked about endlessly for the past few years, there's a new movement called the "Great American Rethink" taking place. People are actually acting on their internal imperatives to change themselves and their lives, and the technological, informational and inspirational barriers to changing their lifestyles, careers, families and businesses have evaporated! Studies show that this Rethink is being embraced by all demographic segments equally.

Some of the highlights of this Great American Rethink:

1. We're rethinking work — Despite continually high unemployment, the rate of people quitting their jobs is higher than those being laid off, demonstrating a high (and I love this term!) "Shove-It Indicator." Today over a third of the workforce is comprised of free-lancers, part-timers, consultants and contractors.

2. We're rethinking health and wellness — People are taking on more personal responsibility for their health and well-being. The number of health and wellness related mobile health apps, video games and online tools are exploding, making consumers more knowledgeable and willing to change their habits and get more actively involved.

3. We're rethinking what's personally meaningful as part of our well-being vs. things that are simply on our bucket list to do or experience once — The "American Dream" as we traditionally know it is no longer, for both economic and personal desire reasons.

People are transforming the way they think and

the way they act, establishing a different way of life. They want to experience and be, versus get. They want to make whatever they do an integral and active part of their lives and lifestyles, not just a one-time event. They embrace the process of change and transformation, the process of constantly revisiting what is working and not working, assessing what is adding value to their lives versus what is dissatisfying. They want to be involved in the process of continual growth and constant personal evolution, almost as much as they enjoy the actual outcomes and results.

They want products and retail venues that power their aspirations, help them reach their goals, help fuel the transformations they want in their lives and lifestyles and help them do all of this more efficiently, stylishly and effectively.

The payback? An emotional relationship that far exceeds what makes sense strictly on the utility of the products or services themselves. They become not only brand loyalists, but brand evangelists, spreading the good words about your business on your behalf to everyone they know.

We're not talking about a group here, but rather a movement, a mindset that touches all demographic segments. Will this movement encompass all of your customers? Not by a long shot! But I do believe that these traits and characteristics most likely are indicative of your Most Valued Customers, that 20 percent of your customers that deliver 60+ percent of your sales and 80 percent of your profits. These are the customers that get it, understanding the powerful benefits flowers and plants deliver and that they can enhance their lives, lifestyles and quality of life.

Like I was, you're probably a bit skeptical about the existence of this transformational consumer. I challenge you to think objectively about your friends and relatives, your customers and employees, and I think you'll see the reality of them. And I again want to highlight the importance of looking for the commonalities that exist among all of your customers' different demographic profiles. I'm not suggesting that we don't need to develop programs and services that focus individually on Gen Y'ers or Boomers, but think of the power of what you can achieve if we focus on the commonalities they all share!... **LGR**

Stan Pohmer is president of Pohmer Consulting Group in Minnetonka, Minn. He can be reached at spohmer@pohmer-consulting.com or 952.545.7943.