

Housewares TrendTracker 2007

The Fourteen Hottest Home Trends of 2007



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About Housewares TrendTracker 2007

Housewares TrendTracker 2007 provides in-depth information about the trends that will be impacting the home goods and housewares industries over the next several years.

Housewares TrendTracker 2007 is based on consumer research conducted by Riedel Marketing Group with the company's proprietary 100-member panel of HomeTrend Influentials (HIPsters). The report identifies the changes members of the HomeTrend Influentials Panel are making in their home-based activities and sheds light on emerging home trends.

HIPsters are the bellwether for the mainstream population because they pick up on new home-related trends and embrace new home goods much sooner than the rest of the U.S. population. If HomeTrend Influentials embrace a new trend, very likely it will be embraced by mainstream Americans within a couple of years. If HIPsters reject a new trend, very likely the trend will not be embraced by mainstream Americans either.

Housewares TrendTracker 2007 is written and edited by RMG Senior Partner A.J. Riedel, a highly regarded marketing authority, forecaster of consumer trends, and advisor to many housewares companies. Riedel has been tracking housewares and home goods trends since 1999.

About the HomeTrend Influentials Panel (HIP)

There is a small group of consumers who hold enormously more power in their hands than all the other shoppers combined.

- Procter & Gamble calls them Trend Spreaders and believes that if they can connect with just 1% of trend spreaders within a market they can significantly influence their sales.
- ACNielsen calls them Viral Consumers and has found that other consumers are nearly 50 % more likely to buy a product if it has been recommended by a Viral Consumer.
- Market research firm RoperASW/NOP World calls them Influentials and believes so strongly in the concept of the Influential that they wrote an entire book devoted to explaining who the Influentials are and why they are important. Roper believes, based on thirty years of Roper Reports research, that there is a specific group, the 10% of the population that is the most socially and politically active, that tells the other 90% how to vote, where to eat and what to buy.
- Riedel Marketing Group calls them HomeTrend Influentials and believes that by tracking and monitoring these trend-setting consumers, we should be able to detect emerging new home trends early in their infancy.

Whether you call them HomeTrend Influentials, Influentials, Trend Spreaders, or Viral Consumers, they are the consumers who adopt important new products well in advance of other segments of the population. They have a history of setting trends.

Riedel Marketing Group (RMG) formed the HomeTrend Influentials Panel (HIP) in early 2004 to track and monitor the changes HomeTrend Influentials (HIPsters) are making in their home-related habits and practices and to track and monitor how their attitudes toward their homes are changing.

The HomeTrend Influentials Panel (HIP) is a proprietary panel of 100 HomeTrend Influentials (HIPsters). Riedel Marketing Group is the exclusive source of HIPsters trends and supporting data.

Panel members participate in in-home interviews, online bulletin board focus groups, and e-mail or online surveys. They are paid an incentive of \$75 to \$100 to participate in the in-home interview and online bulletin board focus groups.

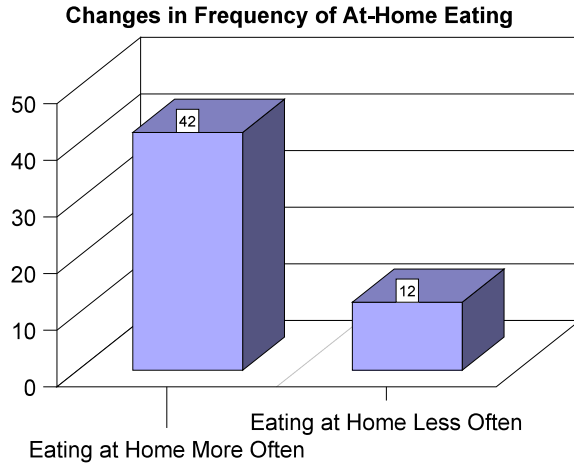
HomeTrend Influentials are home owners who like their homes to look up-to-date and like to keep their fingers on the pulse of what is new for the home. They are constantly redecorating and making improvements to their homes. They enjoy talking with their family, friends, and/or co-workers about what's new for the home and they are sought out by friends and family for advice on what to buy for their homes and what to do to their homes. They are very active in community, civic, and political activities. They readily try new food, household cleaning, laundry, and housewares products that they see advertised or in stores and they eagerly recommend the products that they really like to others.

HIPsters pick up on new home-related trends and embrace new home goods much sooner than the rest of the U.S. population. As such, these influential consumers are the bellwether for the mainstream population. If HomeTrend Influentials embrace a new product, very likely it is going to be embraced by mainstream Americans within a couple of years. If HIPsters reject a new product, very likely the product is not going to be embraced by mainstream Americans either.

The Fourteen Hottest Home Trends of 2007

THE RETURN OF AT-HOME EATING

42% of HIPsters are eating at home more often than they did a year ago while only 12% are eating at home less.



This finding is consistent with the NPD Group’s finding that Americans are eating out less often than they used to. The NPD Group’s annual *Eating Patterns in America* reveals that the number of meals eaten in a restaurant annually has decreased from 93 meals per person in 1985 to 80 meals per person in 2005.

The most common reason – although certainly not the only reason – why HIPsters are eating at home more now than they did a year ago is financial. About one-third of the HIPsters who are eating at home more now than they did a year ago are doing so to cut down on costs, save money, and because eating at home is less expensive than eating out, especially for families.

Another reason people are eating at home more now is what the National Restaurant Association (NRA) dubbed “less harried eating.” NRA research indicates that 36% of adults are saying they do less on-the-go eating than they did two years ago.



THE FAMILY DINNER IS BACK

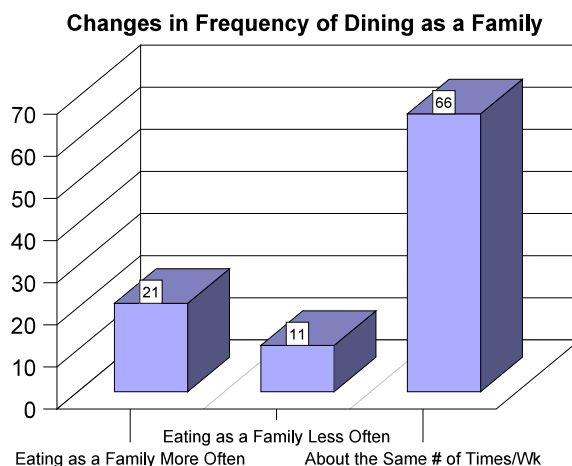


The importance of the family dinner is getting a lot of media attention and as a result, a number of organizations – from the National Center on Addiction and Substance Abuse to TV Land and Nick at Nite cable channels to daily newspapers in major cities -- are actively promoting the ritual of the family dinner and educating families about the importance of shared time together.

Studies show that teens who frequently have family dinners are far less likely to smoke, drink, or do drugs than their peers. Kids who gather with family at dinner also have better grades and nutritional habits.

As usual, HIPsters are the cutting edge of the family dinner trend: Many of the HIPsters with children make it a priority to eat at home together as a family. Despite busy schedules, on average, HIPsters eat dinner at home as a family 5.4 times a week.

What's more, 21% of HIPster families are sitting down to eat dinner as a family more often than they did a year.



For most of the HIPsters who are sitting down to eat as a family more often than they did a year ago, the decision to eat dinner as a family is a conscious one. Some are finding that as their children get older and are in more and more activities, it is getting

harder to find time for the whole family to be together. They are making the family dinner a priority. As one HIPster wrote, “We are planning our schedules so that it doesn’t interfere with dinner time and being more aware of our time together even if it is only for 20 minutes.” They believe that eating dinner as a family is important because it is “instills good family values”, it is a “bonding experience as a family”, with busy schedules, it is “the only time during the day to connect with the family”.

DOES MORE AT-HOME EATING MEAN MORE FOOD PREP?

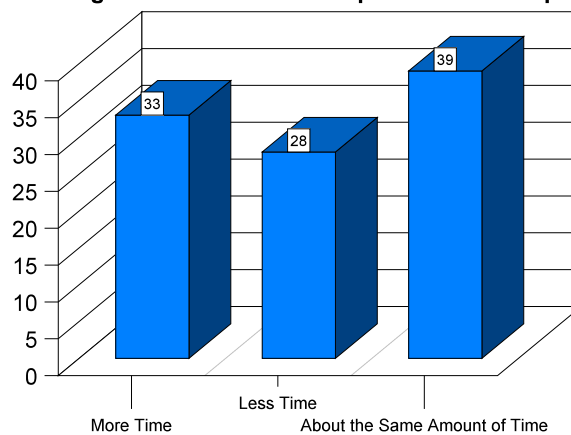
Many HIPsters are eating at home more often than they did a year ago. Does that mean that they are preparing food at home more that they did a year ago? Yes and no. Some are and some aren't.

About one third of HIPsters are spending more time on food preparation than they did a year ago. And almost half of those are cooking more meals from scratch and trying out new - and in many cases, more elaborate or complicated – recipes.



However, for almost every HIPster who is preparing food at home more often than they did a year ago, there is a HIPster who is preparing food at home less often than they did a year ago.

Changes in Amount of Time Spent on Food Prep



Many people are availing themselves of the myriad of convenience and prepared foods that have been brought to market recently – with more being introduced every day – that enable people to eat a “home-cooked” meal without having to actually cook that meal.

We are certainly seeing that trend among the HIPsters. Many HIPsters report that they are looking for “new items at the grocery store that minimize cooking time”; are “finding more food shortcuts at the grocery store”; and/or are bringing in more takeout food.



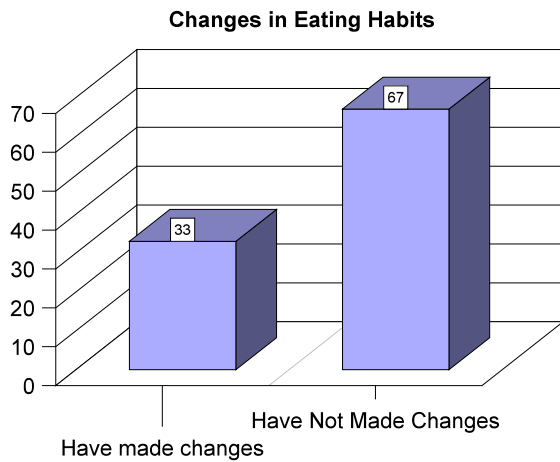
One of the newest ways to have “home-cooked” meals without having to do the cooking are what the industry is calling “meal assembly” services – places where consumers can go to prepare meals made from fresh ingredients without having to do any shopping, chopping, or cleaning up.

The Denver Post calls them “do-it-yourself kitchens” that “do the prep and cleanup, and you get a freezer full of almost homemade food.”

Companies with such names as Dream Dinners, Dishin’ It Up, Dinners to your Door, Home for Dinner, Simply Homemade Dinners, What’s Cooking, and Supper Solutions are cropping up in major cities around the U.S.

Whether you call them “do-it-yourself” kitchens or “meal assembly” services, they are a concept that is being embraced by HIPsters: A number of the HIPsters who are eating at home more often but preparing food at home less often than they did a year ago are using them.

HEALTHIER EATING HABITS



33% of HIPsters have made major changes in the types of foods they are eating in the past year or so.

Most of the HIPsters who have made major changes in the types of foods they are eating have made more than one change. Most of them have made changes that will make their diet healthier and many of them are spending more time on food preparation. The overall trend is, as one HIPster put it, “more good foods and less snack and junk foods”.

For example, several are eating less processed food and eating more natural or organic foods and fruits and vegetables and are cooking more meals from scratch.

When asked why they have made major changes in the types of foods they eat, overwhelmingly, the main reason is health. Many simply want to eat healthier or have a healthier lifestyle.

Concern about healthy eating is universal among Americans.



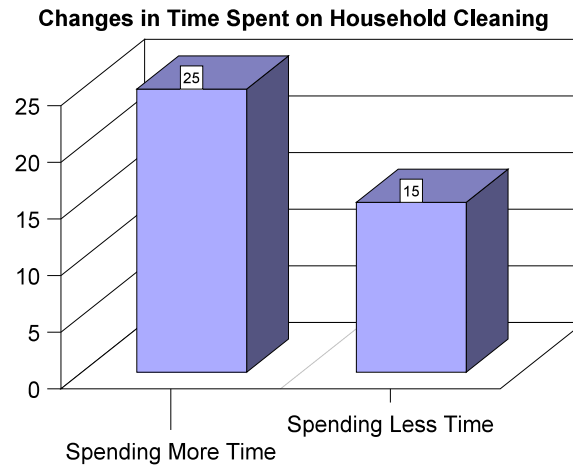
According to The NPD Group’s 21st Annual *Eating Patterns in America* report, as of 2006 64% of adults said they “wanted to get *more of*” whole grains in their diets, followed by 58% wanting to add more dietary fiber. 71% of adults said they “wanted to *cut down on*” fat in their diets, followed by 62% wanting to cut down on calories, 62% wanting less cholesterol, and 59% wanting less sugar.

Although the majority of Americans are concerned about healthy eating, that does not mean that they are dieting. According to The NPD Group, the percent of adults on a diet last year was at the lowest level in 16 years. In 1990, a typical week throughout the year found that 35% of women and 26% of men were on a diet. Last year, those levels dropped to 26% of women and 19% of men on some kind of diet.

What's more, the kind of diet has changed as well. Those who are dieting are following diets of their choice rather than one recommended or supervised by a doctor, Weight Watchers, Slim Fast, Atkins, or South Beach.

MORE TIME SPENT ON HOUSECLEANING, MORE NEW CLEANING PRODUCTS

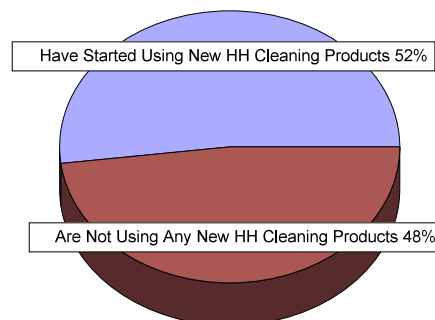
25% of HIPsters are spending more time on household cleaning than they did a year ago while 15% are spending less time on household cleaning.



The main reason why some HIPsters are spending more time on housecleaning is because they have just moved into a new house or have recently completed a remodeling project. Being in a new (or newly remodeled) home makes them want to keep their home, in the words of one HIPster, “cleaner and nicer.” In many cases, their new (or newly remodeled) home is also larger, so not only are they cleaning more often, they are doing more cleaning because they have more rooms to clean.

Not only are HIPsters spending more time on house cleaning, more than half of HIPsters have started to use household cleaning products and/or equipment that they were not using a year ago.

Use of New HH Cleaning Products





About half of the HIPsters who are using new household cleaning products or equipment that they were not using a year ago are using not one but several new products.

Two-thirds of the HIPsters who are using a new household cleaning product and/or equipment that they were not using a year ago are using some sort of new floor care product. Many of them purchased new floor care equipment, either electric or non-electric. Vacuums, hand vacs, and battery-powered sweepers/broom vacs were the most popular. Some have started using one of P & G's Swiffer products. Some are using a new hardwood floor cleaning product.

Quite a number of HIPsters have started using "green", organic/natural, environmentally friendly, or naturally biologically-safe cleaning products.

Some are using some sort of bathroom cleaning product that they were not using a year ago. Most popular are automatic shower cleaner and tub/toilet cleaners.

A handful are using new disposable wipe products and a handful have started to use microfiber cloths.

HIPsters are looking for ways to make house cleaning easier and less time consuming. The new products they are embracing are convenience products that are designed to make house cleaning easier or faster. For example, one HIPster has started using the Endust duster, the Swiffer sweeper, and Pledge wipes. Another has started using Mr. Clean Magic Erasers, Swiffer dusters, and The Works bathroom cleaner which she says she "couldn't live without" because "it saves so much time."

Products that do the work for you or automate the chore are of great interest to HIPsters.

One such convenience product -- S.C. Johnson's Scrubbing Bubbles automatic shower cleaner -- is turning out to be very popular among HIPsters because it automates one of the more onerous bathroom cleaning chores. A number of HIPsters have started using the automatic shower cleaner since it was introduced early in 2006. What's more, they not only are using it themselves but they are also getting other people to try it. A number of the HIPsters who have started using the Scrubbing Bubbles automatic shower cleaner love the product so much that they have recommended it to a



friend or family member.

Another class of products that is intriguing to HIPsters is the new robotic floor care products such as the Roomba robotic vacuum cleaner and the Scooba floor cleaning systems by iRobot. They are considered by HIPsters to be the “coolest” of the “cool” new home products. When asked if they had seen a new product for the home or for use in the home that they thought was is just really “cool”, a number of HIPsters said they thought the Roomba and/or the Scooba were really “cool”. Although only a handful have bought either the Roomba or Scooba yet, the products are getting good reviews from those who do own and use them.



THE AMERICAN HOME IS EVER MORE COLORFUL

When the HIPsters were asked what they thought the ten hottest home trends are for 2007, many HIPsters said that color is still one of the hottest trends: “More color in homes”, “bright paint colors”, “vibrant wall colors”, “color on walls”, “color everything”, “unexpected punches of color”, “bolder, darker interior colors”.

The majority of the HIPsters who have painted the interiors of their homes in the past couple of years have gone with bold color schemes ... no neutral white or beige for these trend-setting consumers. What’s more, many of the HIPsters who are planning to paint a room in their home soon are doing so because they are tired of neutral color walls and want to add color to the room.



Not only do HIPsters think that color is one of the hottest trends in paint and home decor, a number of them also think that color is the big story in major appliances as well. Stainless steel appliances are still considered to be really hot by a number of HIPsters but almost as many think that stainless steel has run its course.

A number of HIPsters think the time is right for color appliances, although few think that Americans are ready to embrace fashion colors yet. Many still remember the era when harvest gold and avocado green were the hot major appliance colors.

While HIPsters were overwhelmingly complimentary when Sears introduced the new Elite line of washers and dryers in Pacific Blue, Champagne, and Sedona back in 2005, not one HIPster has purchased a washer in one of these fashion colors.



The color that HIPsters *are* embracing for washers and dryers is grey. Several HIPsters who have recently purchased a new washer and dryer have purchased them in steel grey or charcoal and several who are thinking about buying a new washer and dryer are considering grey.

OUTDOOR SPACES THAT ARE AS NICE AS THE INDOOR SPACES

Upgrading the outdoor living space is a trend that has been gathering steam over the past couple of years and shows no sign of abating.

In a survey by the Michael Cohen Group, a New York-based research firm, about half of the 600 people surveyed said the outdoor space was as important as other rooms. About two-thirds – 65% – said the outdoor space was a major factor in the purchase of their home. Respondents viewed the outdoor room as a place to unwind and socialize.



A growing number of Americans are making the “outdoor room” -- which has been characterized by home and design experts as a defined outdoor area with a cooking, eating, and sitting space -- an integral part of their home, according to the Weber Outdoor Room Tracking Study which tracks how consumers define, plan, and use their homes' outdoor space. Over one-third of outdoor room owners surveyed say that the design of this area is equally as important as the design of their homes' interior spaces. Nearly half of those surveyed who do not own an outdoor room say they are interested in having one (44%) and of those, 28% say that they are at least somewhat likely to create an outdoor room. Importantly, over a third of outdoor room owners say that this space adds to their quality of life.

HIPsters, as usual, are at the forefront of the trend: The vast majority of HIPsters already have a back patio or deck and those who don't are planning to add a back patio or deck. 65% of the HIPsters have made improvements to their back patios or decks or are planning back patio or deck improvement projects in the next year.



Not surprisingly, with these fancy new patios and decks,



Americans are grilling more. According to the NPD Group's annual Eating Patterns in America report, outdoor grill usage has steadily climbed over the past 20 years. According to the Hearth, Patio and Barbecue Association, a record 17.2 million grills were shipped in 2006, a 15% increase compared to 2005. It is the fastest year-to-year growth since the HPBA began measuring grill shipments back in 1985.

WALL MOUNTED TELEVISIONS IN EVERY ROOM OF THE HOUSE

HIPsters predict that wall-mounted flat screen TVs - and not just one but one in every room – will be one of the hottest home trends of 2007, now that prices are coming down.

According to the Consumer Electronics Association, wide-screen TVs – those 40 inches or larger – accounted for 21% of all TVs shipped in the U.S. in 2006, up from 14% in 2005.



According to “TVs and Related Products: What’s in the Home and What’s Planned”, a new report published by The NPD Group, nearly 40% of those surveyed plan to purchase a new television within the next 12 months, with 15% leaning towards LCD and 12% towards plasma. Currently, 23% of American homes have a wide-screen TV and 20% have plasma TV.



Large-screen/flat screen televisions are status symbols which people are hanging prominently above the mantel or on the living room. Gone are the entertainment centers or armoires where the TV used to be hidden away.

And more and more, at-home entertainment revolves around the TV. Marketing Daily conducted an exclusive research study that found that “half of all Americans are staying at home more now than they did two years ago to enjoy high-tech entertainment between their own four walls. And nearly as many said new technology such as wide-screen TVs and HDTV has turned TV-watching into a social event”. Well over 300 of the 1,000 respondents said they have HDTV, wide-screen or plasma TVs at home, and of this group, 47% said they’re watching TV in a social setting more often because of these new technologies. This is even more true of young-middle-aged people: 67% of respondents ages 35 to 44 who have HDTV, wide-screen or plasma TVs at home said they’re watching TV in a social setting more often because of these new technologies.

THE QUEST FOR THE WELL ORDERED CLOSET

HIPsters (and by extension, American consumers in general) are feeling overwhelmed by the amount of stuff they own. They are tired of clutter and jam-packed closets and are running out of room to store their stuff. There is a definite trend toward “decluttering” and getting rid of stuff among HIPsters. 51% of the HIPsters are planning to do a home organization project in the next couple of months.



Closets rank as the biggest home organization challenge. The New York Times says “the quest for well-ordered closet has grown from a simple home design trend into a national preoccupation.”

This is certainly true for HIPsters: Of the 51% of HIPsters who are planning to do a home organization project in the next couple of months, fully one third of those will be cleaning out or reorganizing one or more closets.

But they won’t just clean out and reorganize their closets, they’ll buy modular closet storage systems from companies like California Closets and IKEA.

Closet storage/organization systems are among the hottest of the home organization categories. According to Closets, a trade magazine, \$3 billion worth of closet organization systems were sold in 2006, up from \$2 billion in 2004.



HIPsters certainly have embraced closet storage systems: Currently, 39% of HIPsters have closet organization systems in one or more of their closets and 29% are planning to buy at least one new closet organization system in the next year or so.

BURIED IN PAPER

The American kitchen is buried in paper. HIPster kitchens certainly are: Almost every HIPster home has a pile (or two or three) of paper sitting on the kitchen counters. And they hate it: Trying to keep on top of the mountains of bills, schedules,



invitations, letters, magazines, etc. that pour in every day is one of the chores that many HIPsters most dislike.

There are two reasons why HIPsters hate the paper pile-up. The first is that trying to keep on top of all the different kinds of paper that come into the house is a relentless, never ending job.

The second reason is that many people simply do not know how to store and manage all the various kinds of documents. In fact, paper pile-ups are one of the main reasons why people call for help from personal organizers. Many people do not have a good system for storing and filing the papers so that they are easily accessible.

Part of the problem is that there are not many paper storage and organization products on the market that are appropriate for use in the kitchen nor are kitchen cabinets designed to hold files and file folders. That's why a few forward thinking new home builders are coming up with solutions to help the home owner keep on top of the paperwork that so often piles up in the kitchen. For example, Grand Pointe Homes have started incorporating optional kitchen "home centers" into their designs. A "Home Center" looks like just additional cabinetry, but it is actually a multi-functioning information and organization area that is strategically located between the kitchen and the garage.

NEW WASHERS AND DRYERS, NICER LAUNDRY ROOMS

There has been a tremendous wave of innovation in the design and function of washers and dryers in the past few years which has spurred many consumers to replace their old washers and dryers. For example, 16% of HIPsters purchased a new washer in the past year and another 9% are planning to purchase a new washer in the next year.

The most popular of the new types of washers is the front loading washer. Front-loading, high-efficiency washers have been selling in the United States since the late 1990's but it has only been in the past year or two that sales have really taken off. HE models claimed 25 % of washer sales in 2005, according to the Association of Home Appliance Manufacturers, and could take as much as 30% of sales by units and 50% of sales by dollars within the next several years, according to industry insiders.



Certainly, front-load washers are the washer of choice among HIPsters. 64% of the HIPsters who purchased a washer in the past year purchased a front load washer and half of the HIPsters who are planning to purchase a new washer in the next year are planning to purchase a front load washer.



With the purchase of a new washer and dryer often comes laundry room beautification. After all, when you have a beautiful new washer and dryer, you don't want to put it in a laundry room that isn't equally attractive. At a minimum, the laundry room is getting a make over with new lighting, new paint, and new cabinets.

In some cases, the laundry room is not just getting a make over, it is getting a major remodel. For example, when one HIPster remodeled her basement, she increased the size of the laundry room dramatically, put in new lighting, and invested in extra-deep custom cabinets to give her lots of counter top space to make laundry folding easier – and of course, she bought a new front-loading washer and matching dryer.



According to HIPsters, larger, attractive, well-appointed, nicely decorated, bold colored, brightly lit laundry rooms that are near the main living space are “in” and tiny,

dingy, dark, damp, poorly-lit laundry rooms that are in the basement or garage are “out”. According to the National Home Builders Association, a well-equipped laundry room ranks as a “must have” for today’s home buyers and owners.

Not only are consumers willing to put up with a dingy, dank laundry room any longer, they are increasingly not willing to put up with an inconveniently located laundry room. For example, 25% of HIPsters do not like the location of their laundry room. They would much rather have the laundry room near the bedrooms because that “is where most of the laundry is” and “closer to where the laundry gets put away.”

Even though they do not like the location of their laundry room, most of the HIPsters are not planning to relocate their laundry rooms any time soon. The time when the laundry room gets relocated tends to be when they do a major remodel of their home. For example, when one HIPster added a second floor onto her home a couple of years ago, she put the laundry room on the second floor just down the hall from the bedrooms.

THE GARAGE: THE NEXT HOME ORGANIZATION & HOME IMPROVEMENT FRONTIER

Consider these statistics: 60% of homeowners say their garages are disorganized. 25% of America's two-car garages have no room for cars. Only 12% of three-car garages are used to park three cars.

It's no wonder that garage improvements showed up in the National Association of Home Builders' (NAHB) report on consumer wish lists.

It's also no wonder that garage storage products are selling faster than any other home-organization items. According to The Columbus Dispatch, sales of garage storage products totaled more than \$800 million in 2005. NAHB predicts that consumers will spend \$2.5 billion on garage improvements.



No longer are Americans satisfied with dreary garages, no matter how well organized they may be. Like the laundry room, the garage is being treated like a room that needs decorating and maintaining. According to the Washington Post, "These adjuncts to the house are getting designed or overhauled to resemble another room of the house -- with attractive cabinetry and flooring, detailed facades, generous windows, even expansions for gyms below or living quarters above."

Sure signs that the garage is the next organizing and redecorating frontier: Several books have been published recently on the subject, including "Your Garagenous Zone" by a real-estate agent turned garage consultant and "Organize your Garage...In No Time" by the president of the National Association of Professional Organizers.

Another indication of the popularity of garage make over is the number of new products that have been introduced in recent years. Garage Tek began offering custom-designed and dealer-installed garage storage systems in 2001. In 2003, Whirlpool introduced Gladiator Garage works. In 2005, California Closets jumped in with its own low-cost line of garage organization products.

HOME IMPROVEMENT: THE GREAT AMERICAN OBSESSION

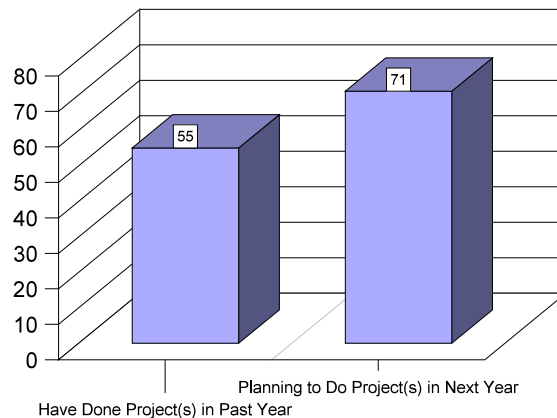
According to the U.S. Census Bureau's "Statistical Abstract of the United States: 2007", Americans spent \$160.5 billion to improve and repair their homes in 2005, more than double what was spent on residual improvements just a decade before. According to the Home Improvement Research Institute, the long-term outlook for the home improvements market, currently pegged at \$312.1 billion in annual sales, remains strong and will continue to grow at a healthy pace through 2010.

The outlook for the home improvement market for HIPsters certainly remains strong and will continue to grow at a healthy pace for the foreseeable future. The majority of HIPster homeowners have done at least one home improvement project, redecorated at least one room, and painted at least one room in the past year and plan to do at least one home improvement project, redecorate at least one room, and paint at least one room in the next year.

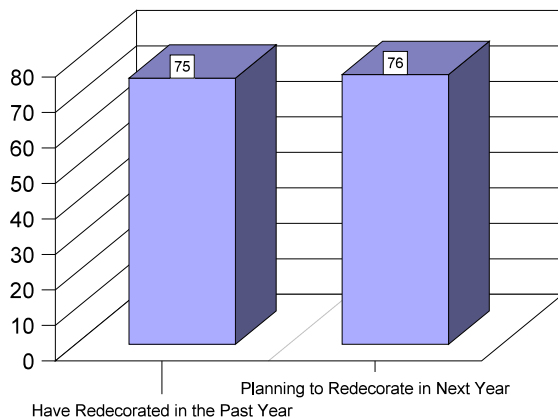


55% of HIPsters have done at least one major home improvement or remodeling project in the past year and 71% are planning a major home improvement and/or remodeling project in the next year or so.

Major Home Improvement/Remodeling Projects



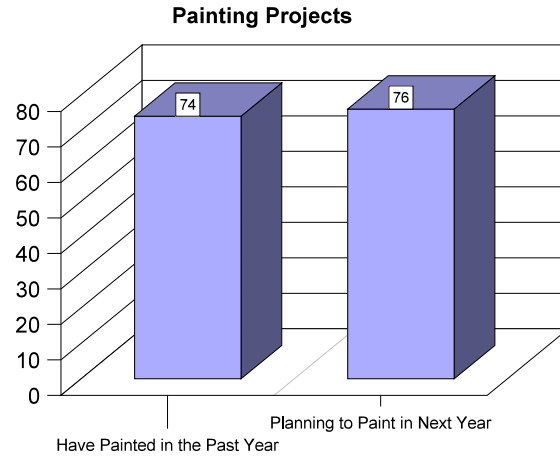
Redecorating Projects



75% of the HIPsters redecorated one or more room of their home in the past year and 75% are planning a redecorating project in the next year.



74% have painted one or more room of their home in the past year and 76% are planning to paint at least one room of their home in the next year or so.



HOMES TO GROW OLD IN

The U.S. Census reports that a record low 14% of Americans moved to a new home in 2005 versus 20% who moved two decades ago. Americans are staying put rather than selling and buying new homes.

Many homeowners struggle with the issue of finding space to accommodate growing children and more home-based activities. Many are limited in their ability to add on to their homes because of setback limitations or zoning requirements so they have to get creative on how to find how more functional livable space inside their existing home.

As a result, they are having to rethink their homes and break the traditional rules about how their homes should look and feel and how the different rooms are used. They are making their homes fit their needs and their lifestyles.

A trend in new home construction is the concept of “flex spaces” – rooms in the home in which the space can change with changes in lifestyle, needs and interests.

Another trend is to eliminate the formal living or dining room. According to the consumer survey “What 21st Century Home Builders Want” published by the National Association of Home Builders (NAHB), many home buyers do not think that it is necessary to have a separate living room. Some architects are designing homes that have no formal dining or living room, calling the living and dining rooms “pretend rooms” because few people use them.

As usual, HIPsters are on the cutting edge of this trend. The HIPster who had a new custom home built in 2006 did not even include a formal living room in the floor plan of her 4500 square foot house. Another HIPster who will be undertaking a major remodeling project this year is planning to knock out the wall between the kitchen and the living room and make that space into one large great room. Several HIPsters have turned seldom used formal dining rooms into libraries or playrooms for their children.



Homeowners looking to find more livable space are often willing to give up storage to get it. For example, when one HIPster recently remodeled her kitchen, she tore out the coat closet in the hall to give her more space in the kitchen. Another HIPster is considering doing the same thing when she starts her kitchen remodeling project.

Homeowners are also finding creative ways to create livable space where there was no livable space before. Several HIPsters have found extra space by eliminating the soaring two-story ceilings in their living rooms. They drop the ceiling height in the living room to eight or ten feet and gain enough space on the second floor for another room. Some home builders have started offering the option of a fourth bedroom in lieu of a two-story family room so that individual buyers can choose the configuration that is best for them.

More and more Americans are deciding to stay in their current home instead of moving. A recent research study that Home Depot commissioned on Baby Boomers revealed that 60% of 50-plus Americans plan to live in their existing home for the foreseeable future. So, they are figuring out what they need to do to their homes to make them a home that they can grow old in. According to the American Institute of Architects survey on home-design trends, 62% of the 420 architectural firms surveyed reported an annual increase in the number of projects in which accessibility was an issue. The HIPster who just completed the 4,500 square-foot custom home had a second master bedroom suite built on the first floor of their two-story home. Short-term, the suite will house one of their parents when they can no longer live independently but longer-term, it will become the couple's master bedroom when they get to the age that they can no longer navigate the stairs to the second floor.

Americans are remodeling their homes not just so that they can stay at home as long as they can as they age, but they are embracing what USA Today describes as “a European style of intra family care that was common here before children started moving time zones away from parents”.



The 2000 Census was the first to ask questions about who is under each roof: 4% of U.S. households (3.9 million) now have three or more generations living together, and one-third of those feature parents who have invited grandparents to move in.

A number of HIPsters have renovated their homes specifically so that they can have an aging parent come to live with them. For example, one HIPster converted the basement into a two-bedroom, two-bath apartment with full kitchen for an aging mother.

Others have bought homes specifically designed to accommodate several generations so that their aging parents could live with them. One HIPster purchased a 6,500-square foot home with a 1,500-square foot guest suite complete with full kitchen, two bedrooms, bath and laundry room where her parents live.

About Riedel Marketing Group



Riedel Marketing Group is the leader in research-based strategic marketing planning, home trend forecasting, and housewares and home goods market intelligence.

RMG offers four types of services and products.

- RMG HomeTrend Influentials Panel (HIP)
- RMG *HomeTrend Forecast*
- RMG Research Library of Reports
- RMG Strategic Marketing Planning Services

For more information about Riedel Marketing Group, go to www.4rmg.com.

A.J. Riedel, Senior Partner of Riedel Marketing Group (RMG) is a highly regarded marketing authority in the housewares industry, the top forecaster of housewares trends, and an advisor to many housewares companies. She founded Riedel Marketing Group in 1991 to help housewares manufacturers solve marketing problems and develop strategies and plans to grow their business.



A.J. Riedel has 15 years of experience and an excellent track record in the housewares industry. Her knowledge and understanding encompasses market dynamics, channels of distribution, housewares consumers, trends impacting the industry, and marketing issues in the housewares industry.

Because of her extensive background marketing consumer products as a manager for General Mills, RJR Nabisco, and Reebok, she is able to bring the tools and disciplines of consumer package goods marketing to bear on the housewares industry.

A.J. has spoken at numerous industry functions and meetings including the International Home and Housewares Shows from 2001 through 2006 and several

Cookware Manufacturers Association Annual Meetings.

She is frequently quoted in the business press including the *Chicago Tribune*, the *Los Angeles Times*, the *Washington Post*, the *Boston Globe*, the *Philadelphia Inquirer*, the *Wall Street Journal*, and industry trade publications.

After earning her MBA at UCLA, A.J. started her marketing career at General Mills where she helped jump-start Wheaties cereal sales in the early 1980s.

As Senior Product Manager at RJR Nabisco, she increased Grey Poupon sales and started development of a new Grey Poupon line extension successfully introduced in the late 1980s.

As Marketing Manager at Norelco from 1987 through 1990, A.J. revitalized the air cleaner business and identified five significant new business opportunities.