

CAROCP Market Watch

California Association of Regional Occupational Centers and Programs

(A Monthly Trends & Forecasting Report)
December 2006

E-TAILERS BRACE FOR HOLIDAY RUSH *(Marketing, Sales, and Service)*

The period between Thanksgiving and Christmas is as important in annual profitability for online retailers as it is for their traditional counterparts. Owners of e-commerce Web sites say they get 30 to 50 percent of annual sales during these four weeks. It is predicted that consumers will spend \$27 billion online in this period, 23 percent more than in 2005. The increase is attributed partly to consumers' growing comfort level with online shopping and partly to the increasing number of retailers. E-tailers are also offering discounts for repeat customers, gift guides, and free shipping. Here's what is important to online shoppers:

- Free shipping (66%)
- Availability of products (59%)
- Ease of shipping gifts directly to recipients (49%)
- Avoidance of crowds and lines at malls (45%)
- Best deals/values (41%)

The Orange County Register, November 27, 2006

THE THUMB GENERATION *(Information Technology)*

The latest phase of the mobile revolution is intimately tied to the abrupt rise of media-rich social networks such as YouTube and MySpace.com. Groups of friends crave connectedness, and they achieve it by immersing themselves in a shared chronicle of daily life. Phones will be stuffed with content you purchase or create, will become your personal television network, your music studio, and your wallet for dispensing digital money. This shift is credited to the "Thumb Generation," twenty- and thirty-somethings who grew up with game controllers and cell phones glued to their hands. They are dreaming up some of the most interesting media-junkie mobile applications. They don't ask why something can't be done; they simply figure out how to do it. Some possible new names for these mobile devices are: multimedia computers, mobile information terminals or ultramobile PCs. BusinessWeek, December 4, 2006

MALLS' NEW BEST FRIEND: WAL-MART *(Marketing, Sales, and Service)*

Wal-Mart once kept shopping-mall owners up at night. They feared its ability to locate nearby and suck shoppers away from higher-priced department stores and from the specialty shops that bring landlords most of their income. Now, some mall owners are rolling out the welcome mat for the retailer giant. They see the Wal-Mart Stores, Inc., as a replacement for the traditional department-store anchors that have been shrinking with the demise of onetime stalwarts such as Montgomery Ward.

For Wal-Mart's part, the aging malls provide an avenue to a new U.S. frontier: expensive urban and dense suburban markets. In its 44 years, Wal-Mart has expanded to the point that 62.2% of the U.S. population lives within five miles of one of its stores. The retailer already dominates rural markets, with 45.5% of its stores in rural and semi-rural markets to

just 29% of the population. As Wal-Mart increasingly seeks to expand in denser markets that often carry higher land prices and stricter zoning regulations, malls seeking revitalization offer the company a ready-made, hassle-free option.

The Wall Street Journal, November 22, 2006

iPODS ARE FLYING (*Arts, Media, and Entertainment Technology*)

Starting in 2007, six big airlines will install iPod connections in their in-flight entertainment systems. The service will be available only in seats that have in-flight entertainment systems in place, typically first-class or business-class seats. The planned upgrade, a partnership between the airlines and Apple, is the latest development in the increasingly heated competition to offer more in-flight entertainment, particularly to elite travelers. The move reflects the airlines' recognition that iPod is a central component of future entertainment systems. The iPod connections will power and charge iPods in flight. They will allow travelers to watch and listen to videos and songs that they brought along, instead of having to watch the airlines' programming. Instead of using the small iPod screen, passengers will be able to watch shows or movies on larger seat-back monitors.

USA Today, November 15, 2006

MORE MICRO, LESS SOFT (*All Sectors*)

Microsoft and a growing number of companies are on the attack against fat. Two-thirds of Americans are overweight, with the problem adding an average 20% more in costs to medical claims. To fight back, employers are doing everything from ripping out elevators and installing stairs to building parking lots a five-minute walk away, as Sprint Nextel Corp. did at its Overland Park, Kansas headquarters.

Rather than simply adding tips on the low-cal life to the in-house newsletter *MicroNews*, or paying for some Jenny Craig, Microsoft created a weight management benefit (employees already get free medical coverage). The software giant picks up 80% of the tab – up to \$6,000 – for a comprehensive, clinical weight-loss program. The program is open to all employees who are obese, or who are clinically overweight and have at least two other diseases, such as hypertension or depression. Some critics of this program do fear the creation of a new nanny corporation, where employers increasingly monitor personal issues that cost them money. However, as long as companies are on the hook for health-care coverage, don't expect their mothering to change anytime soon.

BusinessWeek, November 27, 2006

LUXURY DEALERSHIPS SOUP THEMSELVES UP (*Marketing, Sales, and Service or Transportation*)

At one Mercedes Benz dealership in California, customers linger at the cappuccino bar, tap balls on the putting green or go for a pedicure. A nearby Lexus dealership boasts marble fireplaces, Oakley and Tommy Bahama boutiques and a flat-screen television tuned to ESPN, mounted above the urinals in the men's room. The dealerships are adding fancy fixtures and service extras as they vie for a larger share of the growing luxury-car market. And automakers are ready to pounce on that market as they plan to roll out 129 new or refreshed luxury models this year through 2012.

Blame it on vanity. Image is cited as the primary factor for about half of all luxury vehicle sales. To succeed in crowded markets, automakers are trying harder to reach different segments of luxury customers. They include:

- **Upper upscales** – Lexus is taking its brand more upscale. Its new LS 460 flagship sedan offers technology breakthroughs such as the first eight-speed automatic transmission and the ability to parallel park itself, not to mention a starting price of \$61,000.
- **Performance addicts** – BMW hopes to sway buyers by simply making its cars feel distinctive on the road, maintaining its reputation for handling and performance.
- **Rich rebels** – Honda's Acura division is targeting a group of potential buyers it considers to be forward thinking, tech savvy, go-getters. Acura woos them with technology such as advanced navigation systems that can warn drivers about traffic jams in their paths.

Luxury buyers are dream customers even if they require more coddling. The luxury segment is all about service, personalization and building a world-class guest experience. [USA Today](#), November 15, 2006

MORE COLLEGE STUDENTS TURNING TO ONLINE COURSES *(Information Technology)*

Approximately 3 million students in higher education took at least one online course last fall. This is a sharp increase that defied predictions that online learning growth is leveling off. A new report released by the Sloan Consortium, a group of colleges pursuing online programs, estimated that 850,000 more students took online courses in the fall of 2005 than in the previous year, an increase of nearly 40 percent. Last year, the group had reported slowing growth, which prompted speculation that the trend had hit a ceiling.

One reason online enrollment may be growing is that the differences between traditional and online classes is blurring. It's not unusual now for traditional classes to post syllabi and homework assignments online or to have class discussions in group forums. To read the Sloan report, ***Making the Grade: Online Education in the United States, 2006***, go to <http://www.sloan-c.org/publication/survey>. [The Washington Times](#), November 13, 2006

BE A LEADER WORTH FOLLOWING *(All Sectors)*

Colin Powell is among the top three most admired figures in the country. He offers the following leadership lessons:

Never be afraid to make people mad. Trying to be nice to everybody will only invite mediocrity and compromise your goals as a leader.

Make yourself accessible and available. The day employees stop bringing you their problems is the day you have stopped leading them. Too often asking for help is seen as a sign of weakness, which leads to cover-ups and poor performance.

Never neglect the details. When everyone's mind is distracted, the leader must be doubly vigilant. All the ideas and visions in the world are worthless if they can't be implemented rapidly and efficiently.

Command is lonely. The essence of leadership is the willingness to make the tough decisions. Prepare to be lonely. [Success](#), November/December 2006

NEW EQUIPMENT HELPS CLEAN UP A DIRTY JOB *(Transportation)*

At sites from Ground Zero to a Chicago expressway to a California airport, the notoriously dirty construction industry is starting to clean up its act. Instead of belching black smoke, the bucket loaders, cranes and other diesel-powered monsters at these construction projects are part of a new generation of relatively clean heavy equipment meant to mitigate the environmental effects of often-controversial building projects. By using pollution-scrubbing exhaust filters and cleaner-burning fuel, officials in charge of getting massive projects approved are finding it easier to win community support. In some cases, local leaders are insisting on their use as a condition of backing noisy projects that can disrupt traffic, kick up dirt and foul the air. The Environmental Protection Agency is planning to phase in stronger regulations for these new heavy equipment vehicles between 2008 and 2014. [The Wall Street Journal](#), November 8, 2006

NO E-MAIL FRIDAYS *(All Sectors)*

While the BlackBerry has become standard armor for executives, a few maverick leaders are taking action to reduce e-mail use. The problem isn't the distraction of spam or stuffed inboxes. The concern is misinterpreted messages, as well as the degree to which e-mail has become a substitute for the nuanced conversations that are critical in the workplace. Business has undervalued the social dimension of communication.

Recent research suggests that the perils of e-mail are greater than many assume. A recent study found that as few as 50% of users grasp the tone or intent of an e-mail and that most people vastly overestimate their ability to relay and comprehend messages accurately.

Some companies are implementing "no e-mail Fridays" where employees are directed to pick up the phone or meet in person. Many found this tough to digest, but have seen quicker problem solving, better teamwork and happier customers. [BusinessWeek](#), December 4, 2006

Trends & Economic Forecasting Committee –December 2006

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California State Standards for Career and Technical Education (CTE)

Industry Sectors

1. Agriculture and Natural Resources
2. Arts, Media, and Entertainment Technology
3. Building Trades and Construction
4. Education, Child Development and Family Services
5. Energy and Utilities
6. Engineering and Design
7. Fashion and Interior Design
8. Finance and Business
9. Health Science and Medical Technology
10. Hospitality, Tourism and Recreation
11. Information Technology
12. Manufacturing and Product Development
13. Marketing, Sales, and Service
14. Public Services
15. Transportation

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