

# CAROCP Market Watch

(A Monthly Trends & Forecasting Report)  
October 2005

## 9 FADS TO IGNORE *(All Sectors)*

The following fads to ignore aren't listed in any particular order, they include:

1. Podcasting: It's nice to get MP3s downloaded to your iPod. But where are the revenues? Podcasting will continue, but as a business, it's the latest iteration of CB radio.
2. Space Tourism: When the first billionaire perishes in the void of space, it'll be years for this industry to bounce back.
3. Outsourcing: It works for rote or clerical tasks, but creative and management functions are still most effective close to home. If your job hasn't been outsourced by now, it's unlikely to happen in the years ahead.
4. Downtown Condos: In cities like Chicago, Miami, and San Diego, short-term speculators snapped up many of these "entry-level" homes. With price-to-rent ratios at absurd highs, it's time to head for the exits.
5. China Rules the World: Don't forget your recent history: Japan didn't surpass the U.S. economy in the 1980s, and it's unlikely that China will in the next half-century.
6. High-Definition DVDs: Which will it be: HD-DVD or the incompatible Blu-Ray format? Get ready for a rerun of VHS vs. Betamax – if, that is, consumers want high-definition DVDs at all.
7. Hydrogen-Powered Vehicles: The technical challenges are huge, and they will probably take 10 to 15 years to overcome. Until then, you can safely ignore hydrogen hype.
8. Private-Label Mobile-Phone Services: Lucrative niches are few and far between, and the best ones (such as teens or sports fans) are already taken. Whatever's left is likely to be too small or too hard to reach to turn a substantial profit.
9. Celebrity Clothing Brands: Sean "Diddy" Combs made celeb-branded clothing fashionable. Beyoncé, Jennifer Lopez, and Gwen Stefani followed. Now comes proof that this fad will fade: Jessica Simpson has launched her own line of plus-size jeans.

Business 2.0, October 2005

## VENDING MACHINES SELL HIGH-END ITEMS *(Marketing, Sales and Service)*

Vending machines are starting to satisfy cravings for iPods, digital cameras, and DVD movies. Travelers, hotel guests, and visitors to fast-food restaurants can now use vending machines to buy electronic gadgets and other items that cost as much as \$500. Companies that are offering these services are hoping that U.S. consumers, increasingly conditioned by the Web to buy big-ticket items without a person present, won't hesitate to pay vending machines for items that cost 500 times as much as a bag of chips. The Wall Street Journal, September 1, 2005

## **TEACHING DOCTORS HOW TO INTERVIEW** *(Health Science and Medical Technology)*

As doctors cram more appointments in their busy day, they are under growing pressure to become more skilled at the art of the “medical interview.” One model getting attention was developed by Kaiser Permanente to train physicians to quickly get to the heart of their patients’ medical problems. Known as the “Four Habits” model, it includes:

<u>Habit</u>	<u>Skills</u>
Invest in the Beginning	Create rapport quickly; elicit the patient’s concerns; let the patient know what to expect
Elicit the Patient’s Perspective	Ask for the patient’s ideas; determine patient’s specific request or goal; explore the impact on the patient’s life
Demonstrate Empathy	Be open to the patient’s emotions; make empathetic statements; convey empathy nonverbally (pause, touch, facial expression)
Invest in the End	Deliver diagnosis in terms of original concern; explain rationale for tests and treatments; summarize visit and review next steps

The Wall Street Journal, September 21, 2005

## **OFFICE FASHION TIP: LOOK GROWN UP WHATEVER YOUR AGE**

*(Fashion and Interior Design)*

Knowing how to dress for work has gotten a lot more complicated since companies loosened rules about business attire. Recently, the issue has become more about age. At a time when more companies are headed by chief executives in their 40s, no executive, male or female, wants to look old. However, no one aiming to wield power wants to come off as an adolescent. The nation’s fashion designers, who unveiled their latest collection in New York mid-September, finally are responding to many executives’ calls for more mature clothing. The Wall Street Journal, September 13, 2005

## **HYBRID ENVY** *(Transportation Sector)*

Toyota’s Yaris, a budget hybrid, is creating hybrid envy among rival car executives. Competitors used to pooh-pooh the hybrid gasoline-electric motor as an expensive gimmick appealing mainly to tree-huggers. But now that Toyota is on track to sell 400,000 hybrids next year, they’ve changed their tune. General Motors, DaimlerChrysler, and BMW just announced that they are forming an alliance to develop new hybrid engines. Toyota is now saying that it expects to slash production costs for hybrids to make them more affordable and plans to make them available in every vehicle in its lineup. Fortune, October 3, 2005

## **LOOSE CHANGE** *(Marketing, Sales, and Service)*

Hoping to scrounge market share from America’s couch cushions, the world’s biggest online retailer, Amazon, has partnered with Coinstar. Amazon plans to offer gift certificates at thousands of Coinstar change-counting machines. The deal allows Coinstar customers to instantly receive an Amazon gift certificate for the amount of

change they dump into a green Coinstar machine, eliminating the 8.9% service fee. Key for Amazon is access to millions of adults and kids who can't buy online because they don't have a credit card. The deal highlights Amazon's efforts to compete against retailers with physical stores.

Coinstar has struck similar arrangements with Starbucks, Pier 1 Imports, Hollywood Video, and Linens 'n' Things. The potential is great. The United States has an estimated \$10.5 billion in loose change jingling around. [The Los Angeles Times](#), September 13, 2005

### **HOME BUYERS ONLINE** *(Finance and Business)*

The future of real estate is increasingly online, with a third of all real estate business now being generated from the Internet. The use of the Internet has significant consequences for agents. Internet shoppers spend more time looking at homes before contacting an agent. The Web shopper typically makes an offer after visiting an average of six homes, compared with the minimum of 15 homes that the traditional shopper visits.

It is predicted that within five years, the real estate business will be a 24-hour-a-day business with rapid transactions. The typical home will go from listing to signed sales agreement in an hour with sales being processed through centralized transition service centers. There is some concern that the Internet will eliminate the need for realtors. [The Orange County Register](#), September 21, 2005

### **SPA 'TIL YOU DROP** *(Marketing, Sales, and Service)*

Day spas are moving into shopping centers as landlords look for new ways to diversify their retail mix. About 50 higher-end shopping centers around the country are homes to day spas. Industry experts expect to see more department stores join the spa games as aging baby boomers strive to look younger and focus on wellness.

Many department stores are also looking to rejuvenate a battered business model squeezed by smaller specialty boutiques on one end and discount retailers on the other. Spas in department stores have been well-received and offer customers another service that enhances the shopping experience. In the future, retailers envision offering medical services as well. There is going to be more blurring of the boundaries as new business models develop based around wellness. [The Orange County Register](#), September 19, 2005

### **A REMOTE CONTROL FOR YOUR LIFE** *(Information Technology)*

The phone is rapidly becoming a window to the world. Cell phones have far outpaced personal digital assistants as the electronic device favored by consumers. Software makers are coming up with new ways to lend mobile handsets some of the prime functions of a personal computer. One such program from EasyReach enables users of smartphones, such as Palm's Treo, to retrieve files or e-mails from their work and home PCs and deliver them anywhere. Some companies are betting that people will use their

PCs as a sort of home base for content that can be accessed anytime, anywhere, through a mobile phone.

Orb also recently launched TiVo Anywhere, which lets handheld users watch shows they've recorded on their TiVos as well as program their TiVo set-top boxes from their smartphone. Adoption of all these new smartphone functions isn't widespread yet, probably because phone carriers make it difficult for customers to obtain services that carriers can't profit from or closely control. [The Orange County Register](#), September 22, 2005

### **EVERYONE'S A CFO** *(All Sectors)*

At Development Counselors International, a New York City public relations firm, a different staffer is appointed each month to be CFO for a day. The CFO for the day meets with the controller and learns how to spot trends and anomalies in the numbers. They also review a breakdown of the company's sales and expenses for the previous month. The next day the staffer leads a discussion at the monthly finance meeting. DCI's president attributes much of the company's recent success to this program. Employees are more likely to care about revenue and expenses if they have a better understanding of the finances. The tenure of employees and the length of the average client relationship have doubled. [INC. Magazine](#), September 2005

### **FOUR STEPS TO MASTERING CHANGE** *(All Sectors)*

Change is inevitable. A critical issue in dealing with change is the subject of control. Most of your stress and unhappiness comes as a result of feeling out of control in a particular area of your life. Since the only thing over which you have complete control is the content of your conscious mind, you can begin to deal with change by taking full, complete control over the things you think. Follow these four steps when dealing with change:

- Accept that change is reality. Ask yourself, "What specifically, am I worried about because of this change?"
  - Determine the worst case. Ask yourself, "What is the worst possible thing that can happen as a result of this change?"
  - Minimize the maximum. Ask yourself, "What are all the things I can do to make sure the worst does not occur?"
  - Take action to maximize your current situation. Ask yourself, "How can this change be a healthy and positive step toward achieving my greater goals?"
- [AdvantEdge](#), September/October 2005

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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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