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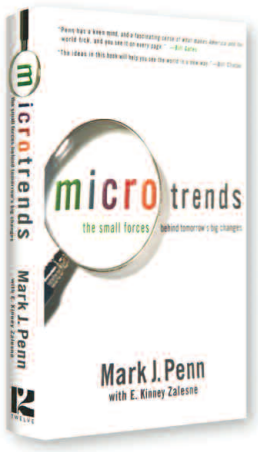
The Big Impact of Small Forces

How 75 Trends Are Shaping American Society

Review by Stephen Wolter

In the opening pages of *Microtrends: The Small Forces Behind Tomorrow's Big Changes*, author Mark J. Penn declares to the reader that he is a trend-spotter, a member of a lineage that includes the likes of Alvin Toffler and John Naisbitt, who respectively wrote two of the best-known books of prognostication of the late-twentieth century: *The Third Wave* (1980) and *Megatrends* (1982). Penn credits those writers as being among the earliest thinkers to consider the societal changes taking place as the United States and the world transitioned from an industry-based economy to one that was information-based. And Penn also acknowledges that Toffler and Naisbitt were correct in their predictions regarding the early-era Information Age.

But Penn is quick to distance himself from fellow trend-spotters Toffler and Naisbitt in one crucial area, namely, the size of the trends in question. Both Toffler and Naisbitt considered the large, sweeping changes transforming society as a result of an emerging information economy. From the title of Penn's book, it is obvious what kind of changes concern him. While his predecessors in the trend-watching business examined the dawning of the Information Age, Penn writes that the Information Age changed the way trends should be examined.



MICROTRENDS
by Mark J. Penn with E. Kinney Zalesne
Published by Twelve, Copyright © 2007, 425 pages, $25.99

Today, those big, sweeping changes are out, and for Penn, it's the small, hard-to-find changes that are significant — the *microtrends*. Penn defines a microtrend as "an intense identity group, that is growing, which has needs and wants unmet by the current crop of companies, marketers, policymakers and others who would influence society's behavior." But does that mean these trends will have less of an impact on society than the megatrends that preceded them a quarter-century ago? Not according to Penn, who sees a world changed in startling and powerful ways by the microtrends taking shape today.

Naisbitt's *Megatrends* examined 10 major trends that he believed, in the early 1980s, were changing the face of how we lived. Considering that Penn is concerned with the micro, it's not surprising that he manages to include 75 society-changing trends in his book, from Social Geeks to Bourgeois and Bankrupt.

The Era of Unlimited Choice

Penn's introduction describes an America in which individual choice has never been greater — an "explosion of choice" as he puts it. The Starbucks economy has conquered the Ford economy, and by that Penn means the Ford Motor Company of the early 1900s, when everyone could own a car in the color of their choice, as long as that color was black. From potato chips to toothpaste to coffee, the variety of choice available to consumers today has surpassed any previous moment in history. The black car has given way to an endless menu of combinations at the coffee bar.

Penn writes that the secret behind Starbucks' success is found not just in a good cup of coffee, but also with the concept of choice: the more choices people have, the greater their satisfaction. Substitute the Starbucks name with that of another company, product or technology that provides a person with as many choices as possible, and you're going to have a primary ingredient for success.

Think of the iPod, Penn writes. Its amazing popularity

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doesn't hinge on the fact that it makes music portable; the Walkman provided the freedom of portability in the early 1980s. Instead, the secret to the iPod's success is that it allows users to *create* their own personal music library, which just happens to be portable.

Personalization and choice may be terrific for consumers, but Penn sees unlimited choice as a nightmare for trend-spotting. More choices mean more and more groups and subgroups attaching themselves to specific needs and wants. A greater number of groups means greater analysis is needed by anyone who follows trends. The one-size-fits-all mentality has pretty much expired, and marketers or political-campaign advisors who try and lump large population groups into either/or categories are doomed to fail when it comes to prediction. Think micro, Penn advises.

If choice is a key element in determining present-day trends, then an equally important factor is that these trends are often counterintuitive to the observer. Penn writes that microtrends can be hidden from the public and the media, not only because of the relatively small groups that attach themselves to specific trends, but because trends are counterintuitive by nature.

One example Penn uses to illustrate the counterintuitive dilemma is when the media focuses its coverage on large organized religions, to the exclusion of newer, smaller sects that currently have faster growth rates in membership. Another example of a trend being counterintuitive involves terrorism. Poverty is often cited as a root cause of terrorism, but wealthy, educated terrorists are often the driving force behind terror attacks.

Penn also sees contradictions everywhere when he studies trends: Americans are eating more healthy meals than ever before, even as obesity rates rise. We have a growing elderly population, but advertisers direct their marketing campaigns toward the country's youth. With their counterintuitive and contradictory natures, and the numerous disparate groups that help define them, Penn believes that many of today's important trends can easily get lost in the shadows.

Looking for Trends: the Birth of the 'Soccer Mom'

No one can deny the computer's impact on society in the last 25 years. When John Naisbitt described the computer as an instrument that would smash down barriers erected by an industrial-based economy, he was describing a trend, one that grabs hold of an extraordinary number of people.

But just how many people does it require for a trend to exist? According to Penn, as little as 1 percent of the population can attach themselves to a microtrend, and if that number seems too low to have a significant impact, consider that 1 percent of the American population represents 3 million people. Whatever their size, Penn stresses that microtrends are largely ignored. But what business or political party can afford to ignore a group of people with a *minimum* membership of 3 million?

To illustrate the importance of the groups linked to trends, Penn describes his role in identifying a previously overlooked group that was part of a microtrend back in 1996, when he was working as a pollster for President Bill Clinton's reelection campaign. At the time, conventional wisdom held that, for the most part, male voters determined how a household voted.

According to Penn, in 1996 most male voters had already made up their minds about which presidential candidate they were supporting by the start of the campaign. This left a new group of voters that could conceivably be won over — the suburban mom, whose responsibilities included both work and raising a family. The newly christened "Soccer Moms" became critical swing voters.

More than a decade later, political candidates eagerly seek the vote of the Soccer Moms, although as Penn points out, trends move fast. The kids of those Soccer Moms are now in college, and many of the moms are divorced. Today, other issues — such as personal financial security — are as important to the former Soccer Moms as raising their children was a decade ago.

Looking back on what happened in 1996, Penn finds the story of the Soccer Moms a perfect example for identifying a new microtrend. Finding what the trend is and who's following it isn't necessarily simple, and the old conventional wisdom rarely helps. "We need the equivalent of magnifying glasses and microscopes, which in sociological terms are polls, surveys and statistics," he writes. When it comes to trend-spotting, he has little use for the advice of "follow your gut." Numbers hold the key to discovering trends in his view, and for every one of the 75 trends Penn describes, he comes armed with statistics to back up his conclusions.

Penn's statistics and ample research indicate that America is not moving in two or three big directions,

but rather, it's headed in hundreds of small directions. Penn writes that there is no one America anymore, not even two or three Americas. Instead there are hundreds; hundreds of niches comprised of people sharing common interests. And these niches are forming and evolving at an incredibly rapid rate.

A Trend for Everyone

The bulk of Penn's book is comprised of relatively brief analyses, four or five pages in length, of each of the 75 microtrends. The trends are grouped into 15 broad categories and are presented in such a straightforward manner that the book almost resembles a one-volume encyclopedia.

Other than the device of grouping by large categories, there is virtually no overlap between one trend and another. A reader could easily dip into the text at any point in the book, read about the trends that interest him or her and skip those that don't — without losing any of *Microtrends'* underlying message.

The 15 broad categories are worth noting here, and are arranged in the book as follows: Love, Sex and Relationships; Work Life; Race and Religion; Health and Wellness; Family Life; Politics; Teens; Food, Drink and Diet; Lifestyle; Money and Class; Looks and Fashion; Technology; Leisure and Entertainment; Education; and International Trends. It's not much of a stretch to say that Penn provides just about something for everyone.

Whether he's writing about office romances, college dropouts, retiree workers, or the nonprofit sector, every topic that Penn discusses is smart and concise. He tosses in a graph here and there, which is largely unnecessary, but the real strength in Penn's writing is his precise definition and history of each trend, coupled with an explanation of a trend's potential effect on society.

For example, in the chapter concerning the microtrend of workplace relationships (aptly titled "Office Romancers"), Penn provides statistics indicating a rise in romantic liaisons in the workplace, long-term and short-term explanations of why these numbers are trending upward, and what this means for the future. For the record, between 2003 and 2006, there was a 13 percent increase in office romances.

The reasons for this are due to a steadily closing gap between the sexes in the work force (long-term explanation) and a rise in the number of working singles (short-term explanation). What this trend means to employers includes the following issues: creating revised HR policies as well as dealing with the fact that romantically linked colleagues may share similar interests about their work, which could be a good thing. In any case, each of Penn's descriptions of a microtrend in the book follows this basic pattern of analysis.

Comparing the impact of a microtrend like office romances to a megatrend such as the rise of the information-based economy might seem on the order of putting an Ivy League football team on the same field as the Pittsburgh Steelers. Simply stated, they just don't match up. But Penn makes convincing arguments as to why his microtrends are worthy of consideration, and how they really will affect society in powerful ways.

Will office romances lead to more married couples working in the same profession, in turn creating more positions for double-entry candidates? As Penn notes, universities have been working to encourage double-entry jobs for decades, so what's to prevent it from spreading to the business sector?

Or consider the microtrend of older Americans staying in the work force longer — what Penn dubs as the "working retired." One huge implication of this is the potential savings in Social Security benefits. As Penn puts it, there won't be 10 current workers for every retiree. The number will be less because the retirees will be working too. Could a bunch of retirees who aren't really retired save the country billions of dollars? If so, that's a trend worth paying attention to.

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The strength of Penn's arguments lies in the numbers he uses to back them up. In his bibliography at the end of the book, Penn provides source notes on every one of his 75 microtrends. "Numbers will almost always take you where you want to go if you know how to read them," he writes, which is exactly the sort of thing you would expect a professional pollster to say. Then again, how many businesses operate solely on the gut instinct that Penn disdains, when there are hard numbers from which conclusions can be drawn?

It's hard to fault him for holding up a set of statistics in order to prove a point. Granted, statistics can be cherry-picked with prejudice in support of any idea, even nutty ones. But Penn's sources are solid and he does a conscientious job of documenting them for the reader, even the reader who doesn't usually peruse bibliographies. The critics that Penn will surely encounter would

do well to provide some strong data of their own when presenting the inevitable counterarguments.

The Splintered Society

Penn describes the central thesis of his book like this: "Society is changing in ways that few are really appreciating or understanding." He has a problem when trend-spotters focus only on major trends, thereby missing the idea that trends no longer have to reach a "tipping point" to have a vast impact on society.

The notion of America splintering into hundreds of tiny groups that can potentially affect large numbers of the population may be disquieting to some, but it isn't to Penn. He believes that in general all this splintering will be good news, for both our country and the world. Addressing the issue that America is no longer "one America," Penn wonders if a single, unified America has really *ever* existed, or if that is just wishful thinking by those who mythologize history.

Considering everything from the numerous ethnic groups who settled this country, to a civil war fought over the issue of slavery, to polarizing social issues of today such as abortion and gun control, the concept of one America does seem to rely more on imagination than historical fact.

Penn doesn't believe that the path ahead will necessarily be easy. Despite what politicians promise, there are no simple national solutions that will appeal to relatively large majorities. There will be more actions based on 51-percent coalitions, because as he puts it, increased personal choices tend to pull individuals in opposite directions. But Penn sees the opportunity rising from all that choice.

Predicting the future is a rather haphazard undertaking, and something of a thankless task. One could fill the shelves of a small library with the moldering volumes about the "not-too-distant" future. Sometimes we have trouble separating the serious-minded from the charlatans when it comes to forecasting because the serious-minded can be just as wrong as the phonies.

But you have to believe that Penn is one of those individuals genuinely concerned and curious about the shape of things to come. As to which of his microtrends will make a big impact on society, and which might be tossed into the dustbin with silly forecasts, it's still anybody's guess, even with all that data backing him up.

"The future rarely turns out as predicted," he writes in the book's conclusion. Yes, even Penn is hedging his bets, if only a little bit. ■

Five Fascinating Microtrends

Penn offers his readers 75 different microtrends filed under 15 specific groups. Here are five of some of the most fascinating he has to offer — they may surprise you:

- **Extreme Commuters.** Those dedicated individuals who travel at least 90 minutes one way (for a roundtrip total of 180 minutes, or *three hours*) to get to work.
- **Do It Yourself (DIY) Doctors.** As people become more involved in their personal health, Web sites like WebMD allow for potential self-diagnosing while over-the-counter drug sales soar. No more going to your general practitioner and paying a hefty co-pay when you have the sniffles.
- **High School Moguls.** Because of Web sites such as eBay, entrepreneurship for teenagers is easier and more profitable than babysitting.
- **Caffeine Crazies.** According to Penn, No-Doz (often used by college students to stay awake longer) has 100 mg of caffeine per pill, whereas some energy drinks have three times that amount in one serving.
- **New Luddites.** These aren't just the people who lack computers or access to the Internet because of age, geography or income. These are the people who simply put their collective feet down and say "No" to technology.

The authors: Mark J. Penn has been called "the most powerful man in Washington you've never heard of" by *The Washington Post* and is widely considered one of the most perceptive pollsters in U.S. politics. He is the CEO of Burson-Marsteller and currently the chief advisor to Senator Hillary Clinton's presidential campaign. Penn also acts as advisor to numerous Fortune 500 companies and to 25 foreign heads of state. E. Kinney Zalesne served as a White House Fellow, counsel to U.S. Attorney General Janet Reno and executive vice president and president of two national social-change organizations.

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