



New Consumer: New Thinking?

As you drift vacantly skyward on the escalators in your local Marks and Spencer store cast your eyes around you and you will probably be transfixed by their new (ish) poster campaign. What is so striking about it is that it doesn't dwell on the lusciousness of M & S food, or the attractiveness of their underwear for that matter? What it lingers over is the strength of their morals or more precisely their stance on ethical trading. The M & S campaign, featuring Fair-trade goods and launching their Ethical Fund, is the latest attempt by retailers to convince shoppers that they really do care for workers and the environment in the quest to bring us reasonably priced goods.

Of course Marks and Spencer are not the first to bring us ethical investments. The Co-operative Bank has been operating an ethical investment strategy for several years, but to quote M&S their fund "was developed to reflect the changing beliefs and attitudes of investors who prefer to enjoy any returns with a clear conscience". It's those changing beliefs that interest me and in particular what shapes the new consumer thinking. Although Corporate Social Responsibility (CSR) has been around for a while now, it has suddenly shot right up

the agenda for concerned shoppers. So what brought us here?

Over the last couple of decades we have moved from a Push economy where manufacturers made what they thought customers wanted and retailers tried to sell them (or was it just a fond thought residing in the sunny uplands of collective memory?) - To a Pull economy – where customers demand what they want – and manufacturers follow! And we are experiencing a breakdown in mass marketing. To quote Seth Godin, from his book *Purple Cow*, in which he sets out to unravel the mass-market method of product development, "*Think small. One vestige of the TV-industrial complex is a need to think mass. If it doesn't appeal to everyone, the thinking goes, it's not worth it. Think of the smallest conceivable market and describe a product that overwhelms it with its remarkability. Go from there.*" What he's expressing is the fact that we used to have a finite number of mass markets with many thousands of participants in each – now we have many thousands of micro-markets with dozens of participants in each.

In the 90's fashion designers like Armani realised that if people liked their clothes they might also like their furniture and interior designs – and that people associated with brands that reflected their lifestyles or aspirations.

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Now we've moved beyond lifestyle marketing with discerning customers wanting 'authenticity' built in – the personal story reflected – the conspiracy of mass-tige. Now everyone is part of a niche market defined by their personal tastes and pass-times. Everyone has ultimate choice!

When I was a kid all sports were undertaken in shorts, vest and plimsolls, now every pass-time, let alone sport has its specific kit. In this frenzied market each product has to be 'remarkable' for something or to someone if it isn't destined for the 'also ran' pile. We are in the age of multi-channel retailing. It really isn't good enough just to open a shop and expect customers to walk in. Now you have to be a 'destination' for remarkable products – you must have a web site – and maybe a catalogue – or even a TV channel. Putting some ads in the paper won't guarantee customers either. Most people don't read a paper and if they do only a tiny minority associate ads with products and shops. The irony is that as advertising gets more sophisticated, fewer people pay it any attention. It's become life's wallpaper. These days it's all about viral marketing – that's getting influential people to use your product and tell their friends, pod casting and blogging

What it boils down to in my view is that we are spoiled rotten for choice – AND IT'S STRESSFUL - and frankly most of us would be a whole lot happier if someone (a trusted friend) would just tell us what to do and think. The cult of individuality and choice is just too much for most people to handle and editing choice really can pay dividends for the retailer prepared to know their customer inside out

(what makes John Lewis so successful among the middle classes – trusted – loyal – edited choice)

As well as the way we sell there are other forces abroad that shape new consumer thinking, and a whole new breed of consumers who, as my intro suggests, are motivated by more than just fashion. Dr Noreena Hertz is one of the world's foremost experts on economic globalisation and her book 'The Silent Takeover', published in 2001 was the seminal work that inspired Bono's RED venture, which subsequently gained support from American Express, Nike, Motorola and the Gap. In her view there are four groups, including shoppers, employees, activists and government, shaping the new environment.

As well as the now familiar professional campaign groups such as Amnesty International and Global Witness, Hertz includes people like Morgan Spurlock with his film *Super-size Me*; Jamie Oliver's much publicised school dinners campaign; and ex presidential candidate Al Gore whose film *An Inconvenient Truth* has won plaudits, as influencing thinking amongst the new shoppers. In doing so some civil society groups have gained tremendous traction in the minds of voters, with 78% of people prepared to trust Amnesty International. At the same time respect for elected government has plummeted.

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Thus in one sense it is what government is failing to do that has the greatest pull in the minds of some voters and consumers. This leaves the way open for concerned companies to gain plaudits by taking over where governments' efforts appear to be lacking. Take the supply of anti retroviral drugs to HIV positive mine workers as one example where big business has stolen a march on governments hamstrung by bureaucracy. Government is however having an effect by pressurising companies on CSR issues and regulating marketing claims and labelling. It is also intervening on environmental issues via so called 'green' taxation measures.

After all does it really matter if consumers understand the issues behind Fair Trade and 'carbon off-setting' as long as they are doing the right thing?

Workers are an increasingly influential group. Even as union power continues to wane, employees increasingly put pressure on the companies for whom they work to have clear policies on ethical issues. People actively want to work for 'good' companies and in an effort to attract the skills they want savvy corporations are shifting out of corporate hospitality or 'golf day' style sponsorship to support for good causes. And this support runs not only to just investing money but also to encouraging employees to use their skills on behalf of the sponsored company. Thus organisations, like FEDEX, not only give money to the World Food Programme, but share their skills in logistics too.

Despite shoppers being the most obvious influencers on the high street I have left them

to last, as these days they subdivide into distinct groupings. First there are 'political shoppers' who vote with their wallet and actively boycott products that have dubious ethical credentials. Then there are the 'enlightened shoppers' who will actively seek out a product because they believe they 'do good'. Here we only have to look at the huge uptake of Fair-trade products over the last decade, or the RED initiative mentioned above to see two good examples. Lastly, we come to 'political investors' who seek to support ethical new market opportunities.

It's hardly surprising that smart companies, who perceive an opportunity in the new economics, are not just reacting to these pressures but becoming activists themselves and lobbying government for change. The question is are companies simply using 'green-wash' as a cynical ploy to mask their real objectives? The whole debate also throws up some interesting dilemmas. For instance social and environmental concerns are sometimes in conflict with each other. Organic food may be better for health but is its production and transportation damaging the environment? More worrying perhaps we may be perpetuating a two-tier society? One in which consumption is divided between those that can afford to be responsible – and those that can't! If so, what are the implications for representative democracy and will those who can pay have a louder voice? Probably no change there then!

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When all the debating is over there is probably an irrefutable business case for tuning in to the new thinking. Not only will savvy businesses open up new market opportunities; manage the risk of government-imposed legislation; and gain the loyalty of their staff, they will also add value to the brand. After all does it really matter if consumers *understand* the issues behind Fair Trade and 'carbon off-setting' as long as they are doing the right thing?

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