



### **What Shapes New Consumer 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 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 latest M & S campaign, featuring Fair-trade goods and launching their Ethical Fund, is 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.

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.

**MICHAEL HOARE**  
CONSULTING

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. 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 government 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.

***Organic food may be better for health but are its production and transportation damaging the environment?***

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 new 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.

**MICHAEL HOARE**  
CONSULTING

Organic food may be better for health but are its production and transportation damaging the environment?

***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?***

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!

When all the debating is over there is a 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?

**Note: This article was written by Michael Hoare and first published in 2007.**

**MICHAEL HOARE**  
CONSULTING