The Hartman Group
consumer insights +
analysis in action

HARTBEAT YEAR IN REVIEW

Best of 2007

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Introduction

Regular HartBeat readers need no reminder that 2007 was the year "quality" took on new elevated meaning in the eyes (and lifestyles) of consumers. While the consumer redefinition of quality seemed to hit its stride in the past year, we knew we would need to bring clarity to understanding the fundamental shift in consumer culture away from highly processed industrialized goods and toward a more aspirational world of consumption.

While the shifts may seem largely symbolic on the surface, examining the underlying cultural roots reveals an overall consumer movement in pursuit of premium quality products, services and experiences. Evidence of this can be seen in our seven "best of" HartBeat and Spark newsletters from 2007. From understanding the new meaning of natural, what makes local special and new paradigms in eating, and the corresponding impact on center store to the emerging wellness trend that is "the good life," what makes a "green" consumer and the new role of mom's in society, we see how the marketplace is changing as a direct result of the powerful consumer-driven culture at work.

In a consumer culture, there is tremendous emphasis placed on "buying." There is ongoing debate as to the extent the role of advertising plays in shaping what consumers aspire to purchase. On one side of the debate there is all the "noise," the thousands upon thousands of messages heaped on consumers during the course of daily life. What cuts through the mass of words and images to resonate with consumers in such a way that it actually leads to purchase?

On the other side of the debate there are those consumers who just aren't listening at all; they tune out traditional forms of media messaging and tune in to their own world of creative consumption. This is a world where their own social networks have the greatest influence. So, how do you reach them? By trying to get one's arms around advertising or by understanding consumers in the contexts of their complex, unpredictable lives? We would suggest the latter.

What lies ahead? There is little doubt the world around us continues to change rapidly. Consumers are changing and evolving, the marketplace is no longer what it once was, and if we don't do something to remain relevant, consumers, the marketplace and the world will pass us by—faster than we ever could imagine.

As we look toward the future, and as these "Best of 2007" attest, keep in mind that among consumers, the desire to attain higher quality goods and experiences is not going away. Nearly all consumers say they are tired of "average" to "no quality" in their everyday products and brands. Consumers currently are integrating specialty premium products into their daily lifestyles. What is important to note about this behavior is that consumers no longer feel a need to justify buying premium quality; they expect it and feel they deserve it.

We hope you enjoy this look back as it provides a glimpse into what's in store for the marketplace in the months ahead. And, as always, we welcome your thoughts and comments.

Regards,

Harvey Hartman
Founder, Chairman & CEO
The Hartman Group, Inc.

The Death of 'Natural' BY HARVEY HARTMAN

Because I continually encounter a lot of misconception and confusion regarding the idea of natural products, the natural products channel and the so-called "natural products" industry, I decided it was time to present the changing mainstream consumer perspective of the "natural" arena.

Of course, one of the most important challenges when trying to make sense of this confusing intersection of terminology, practice and behavior is to distinguish between the industry's perspective and that of the consumer. While in an ideal world (perhaps only in a textbook?), the two perspectives would be in near perfect alignment, as seasoned veterans understand, this is rarely the case.

From the consumer's perspective, the idea of "natural products" emerged in the 1970s as a sort of countercultural response to conventional eating practices. Driven by a growing skepticism of mainstream institutions, an interest in "getting back to the land" and a growing belief in taking proactive steps to better one's health and world, consumers began to frequent health food stores. In more politically active areas such as Austin, Ann Arbor, Madison, Boulder, San Francisco, Seattle and others-consumers created and patronized food cooperatives to fulfill a similar set of needs (and values).

These initial harbingers of the natural products world had remarkably similar features:

The offering of staple items such as grains, flours, nuts, beans and rice in a bulk format

- An emphasis on vitamins, herbs and nutritional supplements
- An offering of fresh juices
- Early offerings of organic products, mostly in the form of meager looking produce
- A de-emphasis (or complete lack of) meat products
- The presence of (then) obscure ethnic ingredients such as tofu, tempeh and soymilk
- A general emphasis on whole wheat alternative to conventional baked products

I could go on, but I think most of us get the general idea.

But the important thing we need to remember here is that during this era, the consumer involvement in natural products was not so much a "joyous celebration of food," as it was an expression of a certain ideology and belief system. And lurking deep within this belief system was an unspoken sense of somber asceticism. Though few ever vocalized it, there was a tacit understanding that food wasn't really to be enjoyed but, rather, consumed in its more "natural" state; implying by extension that the consumer would somehow be a "more real" person. Eating this way was more about being at the forefront of an idea than it was about the notion that food could be consumed for the sheer pleasure of it.

In some cases, the membership in food co-ops would refuse to offer basic food staples such as bananas, coffee, oranges or even sugar due to the prevailing political climate regarding the specifics of food production and distribution in foreign lands and certainly many would not offer mainstream CPG brands.

In short, health food stores and food co-ops were subdued, often drab places not known for enticing aromas, over-abundance of products or beautiful product sets. In many ways, shopping at a health food store or food co-op in the 1970s could be likened to shopping for textbooks in college — something you did once in a while because you had to.

My oh my how things have changed.

Fast-forward 30 years and we find a very different landscape. For starters, the word "natural" is now used by most all of us on at least some level thus rendering it all but irrelevant with consumers — the result of flagrant over-usage by media, manufacturers, marketers and retailers alike. Moreover, many, if not most, of the defining features of food co-ops and health food stores have been incorporated, en masse, within all quality food retailers and certain elements integrated into almost all mass market food retailers.

Whether you're in Wild Oats, Wegmans, Central Market, Safeway, Kroger, Publix (and now Wal-Mart) or a host of other leading retailers, you'll find an abundance of organic products and health and wellness product sets along with a virtually endless array of ethnic ingredients and products. Ditto for fresh juices and high-quality baked goods forged from nearly every type of flour imaginable. And what retailer doesn't stock soymilk or soy-based products, as well as an extensive selection of vitamins and herbal supplements? The point is simply this: almost everyone is buying and selling these types of products, even, to a lesser degree, your neighborhood 7-Eleven. The Wall Street Journal recently reported on this new phenomenon by citing our research where we find at least 70% of consumers are buying organics at least occasionally.

The important difference is that while virtually all of the characteristics of health food stores and food co-ops have been incorporated into all quality food retailers, the underlying sense of austerity has been vanquished.

Today's extremely successful food retailers are magnificent celebrations of food's most sensual and joyous qualities. Store entrances begin with dazzling, theatrical produce sets, teaming with abundance, before leading customers into impeccable meat and fish counters staffed with knowledgeable, passionate team members. And as the consumer moves on, he or she is likely to encounter enticing prepared foods or gourmet specialties offered from gorgeous cases. As I have often remarked, today's better food retailers are something akin to a full-on food carnival.

Natural is Not Just a Product

But what does this mean for the industry?

The short story is that, at least from the consumer's perspective, there is no longer any such thing as natural products or natural product retailers...let alone natural product channels. Consumers are simply in search of high-quality food experiences which is being redefined and is the most important, long-term trend in the food industry today, thus spurring a wider variety of retail settings to transform their staid environments.

To be certain, consumers have not abandoned their interest in healthier eating habits or healthier food products. In fact, they have become more "sophisticated." But what is important to understand is that before those attributes can even resonate with consumers, the experience must first qualify as quality food experience, and the rules for qualification are not necessarily what you might expect. Likewise, if the experience is truly sufficient to resonate as authentic quality, that resonance will often prove far more powerful — and contribute much more to your brand halo — than lower order attributes such as "healthy," "organic" or "local." In simple terms, the pursuit of authentic quality food experiences has subsumed what were once major trends (healthy eating, organic and local) and transformed them into more secondary experiential attributes.

Don't misunderstand me. Consumers are still very interested in organic products, herbal supplements, whole wheat breads, soymilk and so on. It's just that those things taken together symbolize little to today's consumer. They are merely common items expected to be found within the confines of something much more important — a full-on, sensual food experience of the highest quality imaginable, driven by fresh, authentic, artisanal and "unpackaged" gateways.

So when our clients tell us they are in the natural products industry or service the natural products channel, I (politely and silently) cringe. The current reality is that you are not in the natural product business; you are in the high-quality food industry, a business whose goal should be to deliver the most robust, compelling and high-quality food experiences possible.

Similar to consumer views on the environment where there is no one green market, but many shades and experiences of "green," "natural" has many shades with numerous meanings. Since consumers have very little emotional connection to natural, understanding all the subtle nuances that "natural" represents is just too big. Because of this, there is a much smaller opportunity to create natural brands than many marketers would like to believe.

Implications

Some might suggest I am making a petty distinction, but I believe the implications are quite profound. When designing marketing strategies or leading innovation teams, the relevant question to ask is not "how does this resonate with the natural product consumer" or "will this be well received in the natural product channel" but, rather, "what am I doing to deliver the most amazing, highest quality food experience possible during an occasion that my product can participate in."

HARTBEAT 9.26.07

Wellness Trend Update: The Good Life

wellness

For the better part of a decade, The Hartman Group has been documenting how shifts in consumer interest and involvement in health and wellness not only redefines consumer lifestyles, but has transformed the marketplace along the way. By 2000, we identified the irreversible tectonic shift in power from commerce to consumer, providing conclusive evidence that wellness consumers would have a profound impact and forever change the nature of consumption in the contemporary marketplace. Since then, our ongoing research continues to solidify the key notion that the wellness trend is not about merely selling health and wellness products; instead it is about something again as large as wellness itself: the consumers' pursuit of a better quality of life.

Our most recent study, *Wellness Lifestyle Insights 2007: Emerging Trends to Shape the Marketplace*, finds that while consumer language around wellness definitions has changed subtly over the years, wellness has become a broader cultural, more encompassing concept for consumers. In the past, control, condition management and illness prevention were at the forefront of consumer health and wellness thinking. In 2007, we find consumer wellness motives evolving into the desire for "quality life experiences."

This isn't to say condition management and illness prevention are not still important because they are, it is that one of the most compelling observations about today's consumers' underlying motivations for reclaiming control over their health and wellness is their aspiration to achieve something we call "the good life." Less an end goal in itself, we have started to see illness management and prevention as a means to a greater and more appealing end — quality life.

In the traditional sense, "the good life" is generally associated with aging consumers and retirement: having enough money, being financially sound, to have it "all" and be free from worry in the golden years. For many consumers, however, "the good life" was something only a select few, the "well off," could ever hope to attain. Through our Wellness Lifestyle Insights 2007 study, we now see that "the good life" has transitioned away from solely monetary implications to include more holistic views of health and wellness that almost all consumers can embrace. Quite simply, consumers want to be healthy so they can enjoy life today and tomorrow — freedom from illness, once a strong wellness motivator, is now a necessary and expected condition of modern life.

Wellness is the "Hub"

If you think you know health and wellness consumers by looking in the mirror you'd be wrong. We can't think of all wellness consumers as being like ourselves. Interestingly, industry and social institutions, like medical and public health organizations, rarely perceive consumers as consumers perceive themselves.

What wellness looks like varies as a consumer's involvement in the World of Wellness evolves and deepens. Wellness includes a wider variety of practices and becomes more holistic as consumers evolve from the Periphery (consumers maintaining only minimal, infrequent and less intense involvement) to the Core (consumers most active and intensely involved). When attempting to define "health and wellness" from the consumer perspective it may be helpful to think of wellness as a hub and its many varied meanings as spokes. The consumer's understanding of wellness today is much more holistic, encompassing a number of basic substantive categories (i.e., spokes) that convey important aspects of wellness: physical, emotional, mental, spiritual, balance, simplicity, fitness, social/community and environmental.

The mental, emotional and spiritual arenas of wellness are typically adopted after the physical. Consumers may engage in many of the same activities and use the same products that they chose to support physical wellness, but the benefits sought sometimes expand. For instance, bike riding may begin as a good way to improve cardiovascular health, but it evolves into a means of managing emotional stress as well.

As consumers become more holistic (i.e., physical, emotional, mental, spiritual) in managing their personal health and wellness and that of their family members, their focus becomes broader. A consumer's preoccupation with personal wellness includes an interest in wellness of one's community. Consumers who make this transition come to believe that their personal wellness is contingent on living in communities that are economically and socially healthy. In order to feel truly well, it is important to these consumers to support their communities by shopping locally and volunteering to help others.

The World of Wellness continues to evolve and so do the consumers within it. In previous years, the spokes routing through the wellness hub were desires to remedy a specific health condition or concern and in 2005 the spokes were further refined toward very general motivations:

- "I want to stay healthy"
- "I want to prevent future illness" and
- "I want to feel better"

In 2007, with the overarching reason consumers engage in wellness activities is to attain "the good life," we note broad shifts in our culture that account for consumers' changing and evolving orientations to wellness. In the following table, we contrast and compare wellness according to the Traditional Culture of the past and our present day Consumer Culture.

Cultural Evolution and Wellness

Orienting Consumer Questions	Traditional Culture (early 1970s): Acceptance of Status Quo	Consumer Culture (present–2009): Distinction
What is my goal?	Avoidance/management of specific conditions	Quality life experiences
Who should I trust?	Experts/infrastructure	Self (intuition), social networks
Where is my focus?	Internal	Internal/external
How do I navigate wellness?	Individually	Collectively, communally
What do I expect from solutions?	Processed, packaged, scientific, standardized	Fresh, whole, natural, organic, authentic, customizable
Where do I look for solutions?	Rx and OTC drugs	VMHS, food and beverage
How do I decide among solutions?	Price driven	Experience driven

Source: *Wellness Lifestyle Insights 2007: Emerging Trends to Shape the Future Marketplace.* The Hartman Group, Inc., 2007.

As stated previously, attaining the good life was once an aspirational goal thought of largely in financial terms. Consumers now think of quality life experiences as being fully engaged in life, having fun, enjoying authentic experiences, not living with restriction or denial, and permitting play and imagination. From this perspective, consumers are now articulating a deeper underlying motivation to be involved in wellness. For those consumers who subscribe to this outlook on wellness, without all these new "spokes" flowing through the wellness hub, you don't have health and well-being — you don't have "the good life."

Beyond the Good Life

Wellness will continue to evolve along the trajectory of quality. Quality experiences will continue to be redefined and the very concept of wellness may even be overtaken at some point by something of higher order importance such as "fulfillment." Just as health has become a necessary or required condition for wellness, wellness may become the necessary condition for fulfillment. Soon the term "health" may no longer resonate with consumers because it may become an implication of wellness. Eventually the term "wellness" may also become irrelevant as it will be implied when consumers seek fulfillment from quality experiences. We anticipate then, that in their quest for something beyond wellness, consumers may become driven by "the good life."

A TINDERBOX SPARK
4.11.07

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New Paradigms in Eating: From Healthy to Quality

Many of us at Tinderbox first got our feet wet with research in the consumer packaged foods arena. While working there, we've all been concerned with a wide scope of questions and concerns stemming from the fundamental observation that consumers increasingly desire healthier eating habits and healthier food products.

This observation has so united the interests of consumers, retailers and the packaged foods industry that we could refer to it as something of a paradigm shift. Most major CPG companies now have major health initiatives driving marketing and product development.

Following suit with the paradigm, our own research has looked at the effects of line extensions capitalizing on ingredient trends (i.e., low-fat, low-carb, low-calorie), the growing interest in organic products, the trend toward "all things fresh" (shopping the retail perimeter for higher-quality "fresh" and prepared food offerings), the subsequent decline of center store, the growing interest in artisanal and local food products and on and on.

Taking all of that research as a whole, one of the critical things we are now coming to understand is that the paradigm has once again shifted. The changes have been gradual, in some cases incremental, but the signs from our most recent data could not be clearer.

What was once a paradigm of healthy eating habits and healthier food products is now a paradigm of high-quality eating experiences, of which healthier eating is but one of many important sub-themes. Other relevant sub-themes include organic and local, as well as various ingredient trends.

To be certain, consumers have not abandoned their interest in healthier eating habits or healthier food products. But what is important to understand is that before those attributes can even resonate with consumers, the experience must first qualify as quality food experience, and the rules for qualification are not necessarily what you might expect. Likewise, if the experience is truly sufficient to resonate as authentic quality, that resonance will often prove far more powerful — and contribute much more to your brand halo — than lower order attributes such as healthy, organic or local. In simple terms, the pursuit of authentic quality food experiences has subsumed what were once major trends (healthy eating, organic and local) and transformed them into more minor experiential attributes.

Metaphorically speaking, we prefer to describe this new paradigm as an arena of quality food experiences, where "arena" is invoked much like a common sporting arena. Importantly, our research reveals three very specific entrance pathways to the arena: Artisanal foods, Fresh and something we call "Unpackaged Foods." Once inside the arena's confines you will be free to play with many of the themes familiar to food marketers such as organic, local, healthy eating, specific ingredient trends and so forth. But before you even consider playing on these fields — marketing to these themes, you must first gain access through one of the identified pathways.

As is the case with most major sporting events, tickets for admission can prove both easy and frustrating to acquire — and in many cases entrance is based on who you know (metaphor here to "who you partner with" i.e., retailers).

Sustainability: What's Green Now?

History often lays the foundation for the future. In the case of sustainability, its early days of strong environmentalism were the framework for the cultural movement as we know it today. Sustainability concerns have gradually elevated from blue-jean clad activists into mainstream consumers on a never-ending journey to adapt their standard of living to the changes going on around them. As they move forward in this world of social and environmental consciousness, their personal lifestyle choices will act as a springboard into the future and continue to define and redefine sustainability.

Shades of Green Consumers: 10 Years Past

In point of fact, the average consumer has been contemplating a maze of headlines, claims, jargon, certifications, and corporate and public interest platforms that make up the complex World of Sustainability for decades. Many cite that the "environment," as a topic of modern concern, rose with public recognition of the ill-effects of industrialization highlighted by the publishing of *Silent Spring* in the early 1960s, and then gathered momentum with the establishment of groups like Greenpeace, Friends of the Earth, and the Federal government's own Environmental Protection Agency in the early 1970s.

Today, the World of Sustainability is many-headed, and touches on an enormous breadth of products, services and industries. In its presentation to the public, sustainability is typically portrayed by the media, industry and various public interest groups through a variety of emotionally charged lenses reporting on and measuring various attempts to ameliorate a number of largely self-created risks posed to human, animal, plant and global health. Socially conscious terms like "ethical consumption," "sustainability," "environment," "green design/products/ lifestyles," "alternative energy/fuels," "corporate responsibility," "locally produced," "organic and natural" and "fair trade" are now so regularly used that they have entered into everyday media use for public consumption.

Interestingly, with so much conversation about sustainability going on among industry, public interest and media stakeholders, seldom do we ever see any meaningful analysis of how consumers themselves perceive the term "sustainability." It is rarely examined with any regularity or depth of methodology by other parties.

The Hartman Group has been exploring consumer perceptions of green lifestyles for many years: Stemming from work we began in the late 1980s in assessing the consumer potential for products like natural and organic fibers and apparel, in the late 1990s The Hartman Group published the first of several now broadly cited reports that examined consumer perceptions of earth-sustainable products. The series, *Food and the Environment: A Consumer Perspective*, identified that at least attitudinally, 52% of Americans in 1997 were seeking to purchase "earth-sustainable food products." Among this group of Americans were several shades of green awareness:

- The True Naturals, composed of 7% of the population, were already converted to earth-sustainable lifestyles and "saving the planet."

- The New Green Mainstream consisted of 23% of the population, and while deeply concerned about "the environment" and interested in buying earth-sustainable products, also didn't know much about it.

Two other groups completed this segmentation:

- The Young Recyclers (10% of the population), who while youthful and into recycling products, didn't necessarily have the finances or commitment to "live sustainably."
- The Affluent Healers (12% of the population), who while able to afford to live earth-sustainably, were too cynical to translate their beliefs into action.

The 1997 *Food and Environment* report cited that there was clearly an "increased environmental awareness among consumers with resulting effect on lifestyle activities" and that there was a "growing consumer interest in making environmentally sound purchases (but on terms defined by the consumer)." The report went on to identify that the organic market was rapidly expanding, and that the consumer interest in "the environment" — which included the notion of purchasing earth-sustainable products as a means to protect air, water and themselves — was in a powerful, but nascent stage.

Since the publication of the Food and Environment series in the late 1990s, The Hartman Group has continued to delineate many of the complex fault lines that link to sustainability with studies as diverse as alternative medicine, organic products, dietary supplements and wellness lifestyles: Our current research methodologies used in the creation of *The Hartman Report on Sustainability* embrace quantitative approaches, such as those used to create the green consumer segments of the 1990s, but now are complemented by sociological and anthropological research methods that seek to get at the underlying "why's" of consumer attitudes and behaviors — in particular how the shades of green hinted at in the 1990s may have evolved into what is now a new era of sustainability.

Green is Organic: 1997 to 2007

One of the important insights gained from our Food and Environment research was that despite a clear resonance among half of the American population toward earth-sustainable products voiced in the 1990s, green attitudes did not necessarily translate into green behavior: While marketers of sustainable products in the 1990s hoped consumers would "vote with their dollars" when purchasing goods and services, it turned out that for everyday shoppers entering a store (or Web site) the top-of-mind purchase driver was not necessarily, "I'm going to buy environmentally today." Interestingly enough, except for the die-hard "core" green consumers, who have never stopped embracing pure green ideals, a vast amount of consumer behavior that coincides with the term "sustainability" has instead focused on what we now understand at The Hartman Group to be a general consumer drive to increasingly ameliorate risks to self and children, and then depending on personal mindset, risks posed to community, country and finally the globe.

This intrinsically human orientation toward sustainability, explored in this report, centers squarely on how everyday consumers seek to cope with what they view as threats posed to their air, water, food, and local and global environment. It has its greatest show of force in the rise of organic foods and the general cultural shift toward health and wellness in the United States in the period 1997 to 2007. Importantly, as we've learned through a decade of research on organic products themselves, the primary drivers leading the majority of today's consumers to organics are not spiritual concerns for "the environment," but instead, pragmatic reactions to events that cause a greater focus on personal and family health and wellness — adding children to the family, being diagnosed with a serious health condition or other triggers.

Sustainability Today: Living Green in an Era of Risk and Uncertainty

Taking the rapid rise of the organic market in the United States less as a barometer of a consumer resonance toward products that are earth sustainable, but more as testament to the health and wellness lifestyle drivers that influence the majority of organic buyers today. We can use such a reading as an indicator toward the general climate that makes up the current consumer perspective on sustainability. Importantly, and as established in The Hartman Report on Sustainability, the term "sustainability" is little used in consumer circles and is not widely understood as a universal concept. Nevertheless, as noted earlier, sustainability is a red hot media and public interest umbrella term used to describe the current cultural movement toward health, wellness, organics, environmental consciousness, fair trade, simple living, buying local, etc. *For consumers, "sustainability" is not just about "saving the Earth."*

Among consumers, the underlying assumption behind all of these trends is that, if society continues on its current path, systems will break down, resources will become scarce, and public health will be at risk. *The Hartman Report on Sustainability* specifically identifies how public perception of sustainability affects consumer behavior and addresses how consumer attitudes and behavior are shifting to reflect these key distinctions — improving outcomes for personal health, the community, and the global natural environment, as well as improving outcomes both now and in the indefinite future.

While the results of our research show that among everyday consumers the term "sustainability" is not widely used, not widely understood, and not very useful in terms of consumer product marketing, our findings clearly show that a cultural shift is taking place in terms of consumer awareness, acceptance and practices that relate to this term. Specifically there is a convergence between consumer trends in health and wellness and the broad scale use of the term "sustainability" by industry, the media and public interest stakeholders. From a marketing perspective, the umbrella term "sustainability" may be of little help to selling specific products (most consumers still are not currently going shopping saying to themselves, "I think I'll buy sustainably today"), but many of the concepts found within "sustainability" have the ability to resonate powerfully with certain segments of the consumer market.

The Hartman Report on Sustainability provides insight into some of these key market segments, their relationship with the fragmented and evolving "World of Sustainability," and the pathways consumers typically follow as they navigate through a world filled with a myriad of (often conflicting) "sustainable" information, choices and pressures.

Shades of Sustainability and Sustainability Consciousness

As presented in *The Hartman Report on Sustainability*, each consumer has his/her own individual model of sustainability, gathered from a variety of different influences and experiences, and these beliefs form shades of sustainability. While most consumers have a limited understanding and usage of the broad concept of sustainability, consumer engagement can be described in terms of varying degrees of what we term "sustainability consciousness." Sustainability consciousness refers to the way people link everyday life to "big" problems (e.g., food, water and air quality). Sustainability consciousness is not just about "eco-conscious consumers" and "the environment"; it is broadly distributed across society, to include "everyday people."

Take Away

The dynamics of sustainability in contemporary American consumer culture are not new: Many of the successful "green" products, services and initiatives that are "working" today stem not as much in their success from environmentally oriented motivations within consumer lifestyles, but instead are the result of consumer reactions to risk translated into behavior at the household and community level.

From the consumer perspective, these dynamics of sustainability are changing and evolving, just as dynamics behind so-called "green" and "environmental" markets are evolving. For those involved with speaking to consumers from a platform of sustainability (or marketing products and services along such lines), we feel that it's important to reiterate that we are experiencing a significant cultural shift in which consumers will continue to adapt their behavior to align with companies, products and services that they find to be relevant to their current lifestyle. For the average consumer, sustainability implies both the existence of macro-level, socially produced risks, as well as various kinds of responses to perceived risks at the personal and household level. Most consumers believe that daily life requires practical adaptations to these risks, if potentially harmful outcomes are to be avoided: The steady growth in markets for water filtration, air purifiers, organics and sunscreen products demonstrate how perceptions of risk have translated into household purchase behavior.

Importantly, beyond such pragmatic buying behavior, there are a broad range of "sustainable" products and services that intersect with both the world of consumers and the "World of Sustainability" in different ways. Thus, there is no boilerplate formula to successfully replicate a single best "sustainable product and experience." This presents retailers and manufacturers of consumer goods with opportunities as well as challenges. A keen understanding of consumer behavior within the World of Sustainability as presented in *The Hartman Report on Sustainability* is a valuable tool in identifying emerging opportunities and overcoming barriers to succeeding in today's sustainability marketplace.

What Makes 'Local' Special?

Prior to the industrial revolution, the advent of mass transportation and the commoditization of packaged goods, some of the most basic needs of consumers were met by farmers, and crafts and trade people within a local community. The notion that products might travel thousands of miles to arrive in a store was typically only realized by exotic fabrics or spices brought back from long treacherous expeditions spanning the globe. Among many things, what made foods and other products produced "locally" special were the strong stories and faces behind their production as well as an intrinsic connection to a specific place.

There is perhaps nothing more organic than marketing local. Today, consumers at all levels understand the association between "organic" and "local" simply because local products stand a chance of being fresher and spark memories of pastoral times that predate the ills of modern living.

The most common notion of "local" is one such way marketers, manufacturers and retailers feel is the fastest path today to differentiate themselves and gain quicker acceptance in the marketplace because of a perceived connection to the values it embodies (e.g., produce that is locally grown is perceived to be fresher and taste better, local = organic; local = fresher, better quality, etc.)

Social advocacy groups would have us believe that shoppers aspire to a higher level of ethical consumption and "vote with their dollars." But we see that cultural change is being driven by a number of factors, none the least of which is a shift in consumer lifestyles as consumers interest is gravitating toward companies, brands, products and services that embody and sell authentic experiences.

The spirit of ethical consumption has ebbed and flowed somewhat in lock-step with various corporate misdeeds, which are tracked and monitored by a variety of grass-roots "watchdog" groups who never fail to surprise the largest corporations with the impact of their "fringe" perspectives. Just ask the apparel industry about the impact of various groups who focused on the topic of worker's rights in developing countries or the tuna industry on the effects of NGOs reporting on mercury in tuna and the general decline of global fisheries.

As an ideal at the family and individual level, ethical consumption has also played a role in how consumers experience their participation in various "good" causes that intersect with their lifestyles. Organic products are an excellent example: Despite the fact that health and a concern for the diet of their children is the pathway to adoption of organics for many consumers, at the same time there is an underlying belief that organics are also "good" for the environment, safer in terms of how they are produced, and through their purchase support small, family-run farms and businesses.

In the food arena, as organics have diffused into the mainstream, local now occupies the fringe. One possible reason for this can be seen in the words of Michael Pollan interviewed for a recent *Economist* article. According to Pollan: "The mainstream co-opts the fringe and shifts its position in the process...but then you need people to stake out the fringe again." He goes on to say he believes fair trade products are heading in the same direction as organics, that is, into mainstream culture.

So what makes "local" special and perhaps even immune to the commoditizing effects of the mass market? In the same Economist article, an important point is made about local foods and products as remaining unique and "special" to consumers simply because by their very nature buying direct (e.g., local) "short circuits industrial production and distribution systems in the same way that organics used to." A trip to your local farmer's market, or to a local potter's shop, reinforces these observations, since the scale and dependability of production is typically random and "home made." These two qualities don't necessarily mesh well with consumer perceptions of megalithic retail chains or polished marketing campaigns, and in their very simplicity and ability to surprise, act as antidote to consumers weary of the mass market.

Consumer Understanding of Local

To be sure, local is one of the hottest cues of quality right now in the world of food. It is quickly overtaking organic for many consumers, both those interested in health as well as gourmet food experiences. In addition to ethical consumption, local has several different meanings all of which influence how it can be used in marketing language:

1. Local defined as "distance from my pantry to the natural source"

This is the purist's view, à la Alice Waters and others, who subscribe to a perspective of local as a part of ethical consumption undertaken to save so-called "food miles" while at the same time benefiting local economies and family farms. It is a political critique of industrial food supply chains and, often, the processing of food needed to make food travel long distances. It is an environmentalist critique of the consequences of shipping/transporting food over long distances, when enough food to live on can be had locally.

2. Local defined as "grounded in a geographic region or locale known for producing high-quality raw ingredients in a given category."

This viewpoint is where entire markets can be built around a local product simply because the product showcases the power of indigenous cues of natural quality by merging geography and food in a way that sharply distinguishes the local product from a processed, packaged, typically nationally branded equivalent.

- Copper River salmon is a great example of local symbolism being used to market a raw product. The fore-fronting of the exact river grounds the consumer precisely in the geographic source of their food in a way that implies that Copper River must be a special place to find wild salmon.
- Local defined as a geographic region can be seen strongest in "raw" food categories such as "Chilean Packham Pears" or "Washington Cherries."

3. Local defined as freshly made "artisanal prepared foods" that supplant the need for processed, shelf-stable equivalents shipped in from highly centralized supply chains.

In prepared foods, like fresh-baked breads or meals, local vendors easily trump branded, packaged competitors, by appearing more authentic and artisanal (e.g., Essential Baking Company in Seattle vs. Pepperidge Farm or Wonder Bread).

- An emerging trend reflecting this aspect of local can be observed in fine restaurants packaging up their meals and selling them as heat-n-serve meals in grocery store environments.

In response to consumer demand retailers in both the United Kingdom and the U.S. are developing processes by which they "connect" individual stores or sets of stores with local suppliers. While these efforts are limited by the self-imposed limits to mass production of most local products, they are nevertheless important steps, since consumers consistently voice an interest in products they perceive to be as made within their community or region. Moreover, when consumers talk about organic and local, they clearly perceive that food retains more nutrients the less time it stands in travel.

Finally, local is linked by shoppers as a way to "vote with one's dollars" in terms of supporting the local community. As one consumer told us, "It's better to pay slightly more for local organics from local businesses, because if I don't they might go away." This is a typical mindset among consumers who want to retain the convenience of their neighborhood grocery store while at the same time "doing something good." While ethical consumption plays a role in some cases, for a majority of consumers the fascination with "local" products has as much to do with a return to values of simplicity, an equation of kindness with old-fashioned systems of hand production, and most strongly, the ability to match a product with a place or face.

The Language of Local: Authenticity

As we've noted many times from our research, consumers have an increased desire to obtain products they deem are the "real deal" or most authentic. Quality markers — such as ingredients and narratives of origin (i.e., local) — and the context within which a purchase is made are those factors that have the most influence on the perception that a product is or is not authentic. As one consumer told us:

> "Authenticity means something is genuine; it's real, not just for show... Something that is more heartfelt, something with human spirit in it... authenticity is fairly hard to find."

We often hear from consumers in the core that they only shop small community-based stores such as co-ops in their search for truly authentic goods. By contrast, products found in mainstream channels are scrutinized very carefully before a core consumer will conclude that the product is authentic. Alternately, the co-op may not seem authentic to a mid-level consumer who is used to shopping in conventional grocery stores. To them, their local grocery store represents what is authentic to their lives.

Authenticity is about more than just a product. It encompasses diverse elements such as language, visuals, context, occasion and values. The language and visuals used to communicate with consumers can differ depending upon where the consumer is located in the world. Authentic language to the core, such as "artisan" may ring hollow with mid-level consumers who believe "handmade" is a more authentic term. The context and occasion concerns how and when the product or service will be used. For example, authentic cranberry sauce at a holiday dinner may mean eating a canned version since this is a family tradition. However, at a Saturday night dinner with friends, authentic may mean a homemade cranberry sauce concocted with exotic ingredients.

At the end of the day, you can't fake authenticity. So, when you share great stories about your local offerings with consumers, don't tell tall tales, showcase special ingredients from special locales made by special people. In the end, it will help you stay special in the eyes of consumers.

Silence in the Center Store

Observations on Michael Pollan's Recent Commentary

For those who missed it, Michael Pollan's 10,000 word essay "Unhappy Meals," which garnered front page coverage on the January 28 issue of *The New York Times Magazine*, has caused quite a stir among many with interests in the food, health and nutrition arenas.

The ambitious, sweeping work attempts to explain how we have largely failed in our efforts to figure out how best to feed ourselves, a task most of our ancestors and the majority of the world's cultures have had far less struggles with. Really.

His central critique follows the historical transformation of our scientific-based ideas regarding nutrition and nutrients into an ideology he refers to as "nutritionism." Pollan details how we have transitioned from a nation of consumers visiting the grocery store for **food** to a population of hard-working "nutrient hunters" striving for better health by carefully scanning the ingredients and nutrition information on the "nutrient rich" packaged foods lining grocery store shelves. In this, our Puritan heritage could not be more strikingly self-evident.

Engaged as we are in a perpetually evolving dialogue between nutritionists, scientists and journalists as to the proper nutrient du jour, we spend far too much time worrying about the assorted nutrients — or lack there of — in our foods and far less time simply enjoying our food. Ironically, in the process we often find ourselves consuming far more unnecessary calories than if we simply "ate the way our culture taught us to," as in the case of the French, the Japanese, etc. Pollan also points out that ours is one of the few of the world's cultures to view food as intimately connected with personal health rather than, say, pleasure or socializing.

In many, many ways, Pollan's comments echo points we've been making for several years now following the publication of our landmark report on obesity in 2004, *Obesity in America: Understanding Weight Management for a Consumer Perspective*. We've noted repeatedly the challenges posed by a scientific (as opposed to cultural) approach to eating and suggested that commensality — the act of eating together based on shared tradition — may prove a much more successful strategy in battling obesity than reading package labels and (trying to) count calories.

But our goal here isn't so much to critique or champion Pollan's position as to offer several observations from our own research that seem to echo some of Pollan's larger conclusions. More importantly, should those "coinciding indications" ever pan out, they hold dramatic implications for the packaged foods industry.

Who Does He Think He Is, Anyway?

Many we have spoken with since the publication of Pollan's essay seemed to bristle at the audacity with which he dismisses most packaged or processed foods, as well as the packaged foods industry. Among Pollan's claims:

- "Don't eat anything your great-great grandmother wouldn't recognize as food...There are a great many foodlike items in the supermarket your ancestors wouldn't recognize as food (Go-Gurt? Breakfast-cereal bars? Nondairy creamer?); stay away from these."

- "Avoid even those food products that come bearing health claims. They're apt to be heavily processed, and the claims are often dubious at best."
- "Get out of the supermarket whenever possible."
- "Eat more like the French. Or the Japanese. Or the Italians. Or the Greeks."
- "Cook. And if you can, plant a garden."

Much of the criticism we've encountered suggested that Pollan's comments are hopelessly myopic, the by-product of an elite, educated sub-culture of romantic ideologues striving to recapture a pre-modern food culture. After all, how many middle class American families have the time to cook, let alone plant a garden or eat like the Japanese? Besides, those packaged foods which line the supermarket shelves save us valuable time that our ancestors spent cooking, and this is time we could be spending with our children, no?

But What Happens if Pollan Is On to Something?

And yet...we can't help but to note that for the past several years we've been encountering more and more consumers who appear to be (loosely) following Pollan's strategies, at least on several important fronts, and turning toward what we call "authentic eating."

The challenges posed by shrinking center-store sales are by now old news to most in the industry. More than ever, consumers prefer to circle the store perimeter in search of fresh and prepared foods that appear far less processed and more like, well, real food. Ditto for the rise of farmer's markets, as well as the growing interest in a myriad of ethnic cuisines.

All of this makes us wonder if Pollan's comments might not be resonating with consumers' evolving understandings of quality food experiences in the same way Rachel Carson's *Silent Spring* seemed to coincide with the growing environmental consciousness of the 60s and 70s. Put another way, maybe it's not so much the case that consumers are going to read Pollan's work and change their eating habits as it is the case that they already are beginning to eat that way — that Pollan has tapped into a growing consciousness that views food very differently than many might expect. In fact, we believe this movement toward high-quality food experiences is part of an important trend in how consumers are redefining quality

To be precise, what we are encountering is a growing cadre of consumers whose view of what constitutes "food" is not far off from the picture Pollan sketches. For these folks, "food" is (a) found in perishables (namely produce, dairy and meats) area of a supermarket, (b) found in the prepared foods area of a supermarket, (c) grown in a garden or (c) prepared in the household. Importantly for this group, center store represents not a place to shop for food but, rather, a place to shop for ingredients used to make other things, namely food. Importantly, this group has little use for traditional processed or packaged food products.

Of course, like the rest of contemporary society, these consumers don't always have the time to cook or prepare food at home. On those occasions one is likely to find them roaming the prepared foods section of their local grocer. Similarly, these consumers have yet to abandon packaged foods or fast foods entirely. Like the rest of us, they occasionally indulge in fast food or a frozen meal. But what is critical to recognize is that they increasingly do not view those products as "food." Instead, they view them as "fillers," to be relied upon only in times of desperation or need. In short, there is a growing body of consumers who appear to be rejecting "nutritionism" in favor of a more common-sense understanding of what constitutes food. When this occurs, packaged and processed foods appear hardly, if at all, relevant. And this relevance extends to products and brands in which consumers are saying: I'm changing. Change with me or disappear.

Perhaps most interesting of all, these consumers come from all walks of life. They represent multiple ethnicities, are as rural as they are urban, and are scattered across income and education levels. And while their absolute numbers are currently moderate, they appear to be growing rapidly.

There is little doubt that many in the consumer packaged foods and quick-serve restaurant industries greet the opinions of Michael Pollan, Marion Nestle, Eric Schlosser and others with great anxiety. In fact, we believe much of that anxiety is misplaced. For the real story here is not the influence of these writers per se, as it is the climate in which these opinions seem to emerge. Forward-thinking companies on the vanguard of consumer trends will have already been keenly aware of the "coinciding consciousness" of Pollan's work.

The critical questions that remain to be answered are how far that consciousness will stretch and how long it will take to extend its reach. If our initial findings are any indication, it may be sooner than many might expect.

Alpha Moms: Hype or Opportunity?

Moms have always been known to wear multiple hats. They are queens of the domestic domain and targets for many marketing efforts. Despite marketing attempts to reach them, most moms don't believe companies truly understand them or the challenges they face. To them, marketers seem to rely on stereotypes of a bygone era or a mythological notion of motherhood. Take a moment to ask moms how they feel and most will tell you they are living extremely different lives than those that have gone before them. Only 17% of today's mom's feel their challenges and experiences match closely with their mothers' (Source: Hartman Interactive, March 2006 n=1,451).

A recent Salary.com report stated the typical mother puts in a 92-hour work week, working 40 hours at base pay and 52 hours overtime. Of course, mothers are not paid for this work; instead they are given an annual "named" holiday, a derisive set of nicknames, and only recognized for their contribution when something goes wrong. However, when mothers decide to act like what they're doing is important — a profession — instead of a hobby or natural skill they inherited, they are reborn as phenomena: Alpha Moms.

Who Is an Alpha Mom?

Women who are used to taking themselves and their work seriously may indeed apply a similar approach to raising children. Women continue to defy expectations and say they'll apply all of their skills (whether bookkeeping, technological, managerial, sales) to parenting, as in, "I will succeed at being the best mom I can be and employ all the necessary tools, measured indicators and products to accomplish this." Constance Van Flandern, a graphic designer and mom from Eugene, Oregon recognized this and is credited with coining the term "Alpha Mom."

An Alpha Mom is a Type A personality who continually strives to be ahead of the curve and "in the know" on the newest parenting innovations, hippest trends, research breakthroughs, most age-appropriate toys, Blackberry in her pocket and the most high-tech stroller in front of her.

And these mothers are not to be ignored. Today, marketers must understand the potential clout this group wields, reaching out to in the form of Internet networking sites, TV channels and targeted campaigns. An example of the intent to capitalize on the marketing opportunities this "new" group of moms represents: a 24/7 cable channel, Alpha Mom TV, was launched in 2005. Distribution deals now have it in 11.5 million homes.

Yet, marketing to moms is not a new concept; moms have always been a prime marketing target. When moms begin to act on something other than intuition, to do such things as research on how to "mother," it can make some marketers uncomfortable.

So what to make of this? Is the Alpha Mom hype or real opportunity?

Understanding the New Realities of Moms

Alpha Moms have always been around; we've all known them when we were growing up. They were the moms that others came to for advice on potty-training, dealing with picky eaters — the moms who drove everyone everywhere and coordinated everything. The emergence of an even more high-achieving mom seems the natural result of heaping so much pressure upon families in general.

Take kids' success in school as an example: Many schools now require parent involvement in everyday homework, fundraising and fieldtrips. The burgeoning demands of extra-curricular activity (sports, music, dance, etc.) are seen as crucial to building a child's resume for college admission. At the same time, the cost of living virtually requires dual incomes — good incomes that come only when both wife and husband are employed. How is all of this supposed to occur simultaneously? Only with the skills of a hyper-organized, completely market-savvy, take-no-prisoners-style manager coordinating everything.

There are also a huge number of single moms who have long been forced by necessity to successfully multitask. These are super-women in spades: juggling full-time jobs with the responsibilities of managing their child's schedule, grocery shopping, cooking, household managing and transporting, but doing it alone. They have always been out there; de facto role models to other moms in their "Alpha" abilities, ferreting out the best deals on play equipment, the most helpful ways to get babies to sleep, the most convenient locations for swimming lessons, the most effective strategies for homework.

Another factor may have less to do with these moms, and more to do with the higher profile of parenting. As increasing numbers of men get involved in being primary caretakers as stay-at-home dads, active step-dads or committed co-parents, the work of parenting is more widely exposed...for view and for respect. Historically, as men become involved in what had been traditionally female activities, they add to the stature of the roles.

Parents consider each other valuable information sources: 62% say they often consult each other for advice on parenting questions and problems (Source: Hartman Interactive, March 2006 n=1,451). Research continues to show that increasing numbers of dual-income parents are identifying themselves as equally committed to both career and to family — and they demand that employers build these priorities into their schedules as well. As a result, the "job" of parenting is now more carefully examined and professionalized in ways that it hasn't in the past.

The Opportunity

Mothers, as a group, do indeed face everyday challenges that can be addressed effectively by recognizing and respecting these women as full and complex people involved in a big job. In honor of Mother's Day, a group called MomsRising has produced a Motherhood Manifesto documentary for PBS to explain the challenges mothers face. Mothers are not just moms. Finding interesting and effective ways to "target" mothers that acknowledge their complexity as individuals, the significance of their contributions, and the larger strategies that may support their work is more than trend-setting: it could start a revolution.

Contributors

Harvey Hartman — Founder, Chairman & CEO

An author, business school lecturer and former Fortune 500 senior executive, Harvey Hartman is a nationally recognized expert on American cultural change and the consumer activities that impact daily business products and services. He has co-authored a number of publications and books, including several major studies and research initiatives with a focus on the cultural and lifestyle changes of the consumer, such as *Natural Sensibility: A Study of America's Changing Culture & Lifestyle*. Harvey has authored three marketing texts, the most recent being *Reflections on a Cultural Brand: Connecting with Lifestyles*, which analyzes the historical foundation of the "cult of the brand" and proposes thinking outside the traditional branding box of product-focused marketing.

Harvey has consulted with major pharmaceutical, food and packaged goods companies in developing both strategic and tactical direction in today's marketplace. He has worked with nonprofits, such as Mothers and Others for a Livable Planet, and has consulted to numerous NGO and governmental organizations such as the EPA, FDA, USDA, World Wildlife Fund, Co-op America and The Food Alliance.

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Michelle's professional background is in visual communications and graphic design, as well as over 10 years experience in the health and wellness arena as a physician's assistant for an alternative care facility and traditional health care manager. Her research interests and expertise were formed through extensive anthropological work in Mexico, the Caribbean and among Native American populations in the Pacific Northwest. Her focus on culture, language, imagery and ritual has made her a thought leader in understanding meaningful intersections in consumer behavior. In addition to client work, Michelle speaks at various conferences and seminars on current issues in consumer culture, trends and innovation.

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Jarrett Paschel, Ph.D. — Vice President, Tinderbox

As a student, practitioner and fan of consumer culture, Jarrett Paschel's interests are keenly focused at the intersections of culture, economy and society. More specifically, he has spent the better part of 20 years grappling with assorted takes on the more general question: "How do people come to understand distinctions in things?" This interest lead to deep explorations into the worlds of design, aesthetics, technology, music, film, audio, recreation, food and wine-explorations which are ideally suited to his job as director of consumer and retail trends. Most recently he served as a research fellow at the Center for Study of Myth and Ritual in the American Family at Emory University. In addition, Jarrett has previous experience as a restaurant critic, wine educator, freelance writer, university instructor and web developer.

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James has pioneered new ways to leverage professional anthropological analysis and ethnographic fieldwork techniques to help clients' marketing and product development efforts in the world of personal care, grocery retailing and food manufacturing. His analytical training in symbolic anthropology has specifically yielded strategies for moving niche, lifestyle brands into broader markets as well as understanding the cultural constraints to innovation in the food and personal care categories. James is responsible for writing about current behavior in cultural domains directly related to key CPG categories and shares responsibility for executing our syndicated studies. Results of his work have appeared in Spa Business, Convenience Store News, Morning News Beat and other industry publications.

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