

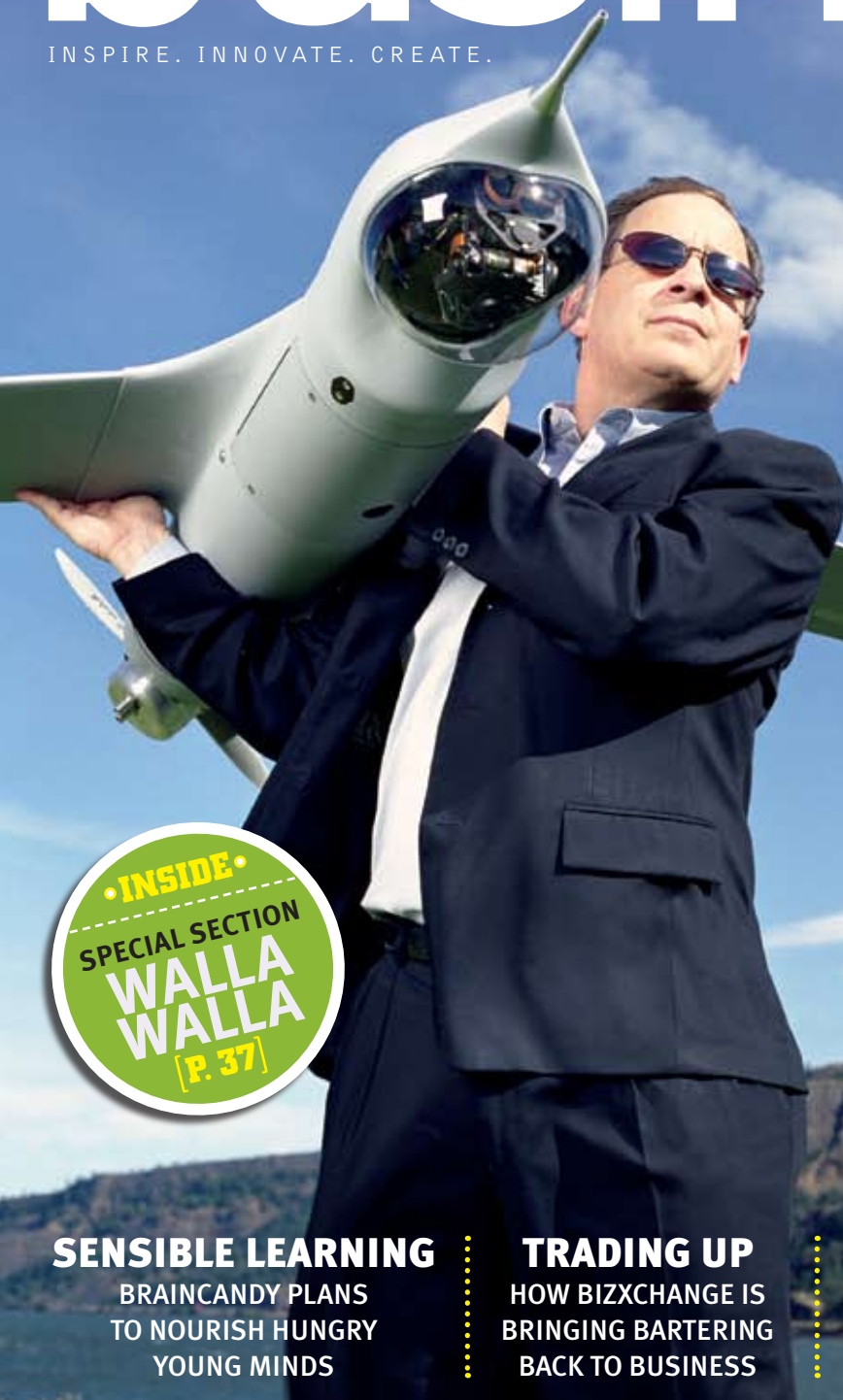
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When Harvey Hartman wanders through a local drugstore, he's more interested in the shoppers than he is in the prices.



BY NIKI STOJNIC

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# THE BUYER SPIES



THE HARTMAN GROUP IS USING MODERN SCIENTIFIC METHODS TO OBSERVE CONSUMERS IN THEIR NATURAL HABITAT TO DETERMINE WHAT THEY WANT AND, MORE IMPORTANTLY, WHAT MAKES THEM BUY.

**ON AN OVERCAST** September morning, Michelle Barry is beginning her typical workday by videotaping the contents of a stranger's kitchen cabinet.

Like a forensics expert, Barry notes every item on the packed shelves in this upper-middle-class suburban home. Looking among the boxes of Ritz crackers, jars of Skippy peanut butter and containers of Pasta Roni, Barry seems to be searching for something.

Barry gently asks the woman—married, with three children—about her choices: “What do you consider premium in there?”

The homeowner looks over her purchases thoughtfully, pointing out a bottle of oil here, some chocolate there, attempting to quantify the reasons that she considers these premium items. Judging by her contradictions, it is a perplexing task.

That's the point, of course, says Barry, the research director for The Hartman Group (THG), a Bellevue-based market and consumer research company. Barry is using her training as an anthropologist to understand the complicated and often contradictory mind of the American consumer. Her job is

to discern why we buy what we buy and how consumers perceive the terms that can influence their choices.

On this day, Barry is in the midst of an independent study about how consumers perceive the word “premium.” Corporate executives will use the study's findings to help market their next big product or to repackage an old one. Knowing how Average Joe and Neighbor Jane define such words can mean the difference between whether a product resonates with potential customers or falls flat.

Over the course of about an hour with the interviewee, Barry has casually, but deliberately, drilled down from generic questions—“What do you think of when you see or hear the word ‘premium?’”—to brand-specific ones—“Do you consider Trader Joe's premium?”

Although the definition of premium may seem clear enough, the term is actually fraught with complexity and a lot less obvious than one might think. It is a label that, in marketing-speak, can denote everything from the best deal (“premium value”) to the best quality (“premium-grade salmon”) to something altogether different (“insurance premium”).

## THE BUYER'S MIND

**UNDERSTANDING HOW** consumers think is The Hartman Group's stock-in-trade. Founded in 1989 by CEO Harvey Hartman, the research company works both independently and for specific business clients to figure out what is on the societal radar. In the process, the firm researches commonly used words and concepts, such as "premium." It also identifies nascent cultural trends, such as the organic food movement, for the ultimate goal of identifying how businesses can grab the interest of increasingly jaded consumers.

Hartman eschews the usual focus groups and surveys. Instead, THG researchers are cultural anthropologists, peering into consumer pantries, shadowing their shopping carts and observing them at parties, all the while asking lots of questions. Barry and her team of researchers, who hold doctorates in anthropology and sociology, sift through the minutiae of modern life to discern current and future trends.

Judging by THG's roster of clients, including General Mills, Kraft, PepsiCo, Safeway, Wal-Mart and Whole Foods, the company's research methods are well respected. Indeed, THG has helped explain consumer attitudes about some of today's hottest trends, and gives companies the information needed to reach the buying public (see sidebar, at right).

## CONSUMERS IN THE MIST

**BARRY'S "PREMIUM"** interview is among the first of between 50 and 100 that will take place in the Seattle area and two other cities across the country during the next few months. The findings are for an independent study being conducted under THG's Tinderbox Group division, a consulting arm of the main company.

Respondents receive about \$125 for their time, and not all interviews are alike. Sometimes, Barry accompanies respondents to the supermarket, where she chats with them about their choices and perceptions. Other times, they are conducted in pairs (a husband and wife, say) or even groups of three. Occasionally, the interviews are set up as parties, where the host is paid to throw a shindig and "guests" are paid to attend and be observed.

What eventually emerges from all the interviews, says Barry, is an overarching pattern, or story, which she and associates can use as a framework for the nitty-gritty number crunching that comes later.

"If you think about it, market research has been done the same way for years and years



## HARTMAN'S GREATEST HITS

The Hartman Group has gained fame within the health and wellness industry for its accuracy in predicting consumer trends before they hit Main Street. The Bellevue-based company predicted the acceptance of soy products and also found increasing public interest in trans fats, even while consumers admitted to confusion over exactly what the term means. Here are a few of the research group's most important findings:

**THE ORGANICS BANDWAGON**—Long before the organics craze hit its stride, The Hartman Group had learned that consumers were increasingly interested in buying organic foods. This information contradicted what many in the food sector believed. Hartman's researchers found that consumers didn't simply look for products that were "certified organic," but that their interest in such products represented a broader cultural shift toward health and wellness, a redefinition of quality and sustainability.

**THE ATKINS DIET BACKLASH**—The high-protein, low-carbohydrate Atkins diet was all the rage in the early 2000s, sending sales of wheat-based foods into a tailspin. Some of Hartman's clients thought the trend was here to stay, but the research group found otherwise. "We declared it a fad, and [food producers] thought we were crazy because the numbers and sales [of wheat-based products] were in free-fall," says Michelle Barry, research director for Hartman. Wheat-based products have since seen sales return to normal levels. Although it worked for some people, the Atkins Diet hasn't fared as well; the company begun by Dr. Robert Atkins filed for bankruptcy protection in 2005.

**OBESITY AND HEALTH MESSAGING**—In recent years, the link between an increasingly overweight population and health problems has been well established in the media. But, as Hartman's researchers dug into the issue, they discovered overweight or obese people didn't see themselves as unhealthy, so health messages in advertising didn't resonate with them. Hartman's 2004 research report, "Obesity in America," showed that most consumers considered their weight to be fairly average, despite the fact that 66 percent of the respondents were considered overweight or obese by federal health standards. The Hartman report contributed to helping companies change their advertising approach when targeting the overweight segment of the population.—N.S.

and years," says Hartman. "You send out a survey, you fill out a survey—it's based upon psychology and economics. What we realized is that life isn't like that. Life is pretty messy, and we are contradictory in our behaviors. We may go to one store and buy healthy and natural products, and then on the way home, we may stop at McDonald's."

Hartman says that's why focus groups and questionnaires aren't nearly as effective as his company's immersion method. What people say and what they actually do can be very different. People want to tell researchers what they think researchers want to hear, Hartman adds, and it's no surprise that consumers rarely practice what they preach.

“We have video after video [in which] consumers will say, ‘I don’t buy that product,’ and then we would go with them [into their home] and they would open the refrigerator and there the product is. They say, ‘I don’t know how that got there.’”

Back in her Subaru on the way to another interview for a different research topic, Barry says that it’s too early to pinpoint any patterns in the “premium” study.

Still, she notes how the respondent repeatedly contradicted herself (for example, saying that the word meant expensive, but not necessarily).

The woman being interviewed confirmed that “premium” is an extremely convoluted term. Sometimes, Barry adds, respondents are just the opposite, specifically describing brand fonts and colors.

Both types of interviews are extremely valuable. “Our task is to take this jumbled mess and make sense of it,” Barry says.

## KEEPING PACE

**HARTMAN DESCRIBES** his company today as having evolved along with the very trends it has studied.

“I would love to say this has all been visionary,” Hartman says, laughing heartily. Instead, he credits success to a top-notch staff, most of whom hold doctorates, and a dogged determination to keeping up with the consumer.

The contradictory nature of consumers became clear early on, when Hartman founded the firm with the goal of specializing in three general areas: the environment, children and the aging population.

“We wanted to do things that made a difference with people,” says Hartman, a jovial man who clearly enjoys presiding over such a talented collection of researchers. His sales and marketing background informed his decision to hang his own shingle.

One of his first investigations was to analyze how consumers responded to the environmental movement. He found that consumers talked about being “green,” but didn’t spend their money in accordance.

“That gave us some understanding of where we could add value to the marketplace,” he says, “which was really understanding consumers in a way that nobody else did.”

The environmental research led THG down a star-studded path of important consumer interests. Along the way, Hartman decided to connect with sociologists at the University of Washington to see how their methodology could strengthen THG’s efforts to unlock the secrets of the consumer psyche.

At the UW, Hartman found Barry, then finishing her Ph.D. in anthropology. She went to the Hartman Group offices for a job interview, reluctantly canceling a snowboarding trip, and four hours later, walked out as director of research. She credits Hartman as a visionary and progressive who is willing to take risks.

Barry’s excitement about her research, and for her colleagues, is hard to miss. Her office bookshelf brims with titles that reveal her main topics of study, including food and holistic medicine. She has worked in health care, both conventional and alternative, and for about 10 years prior to the Hartman Group, was doing anthropological research in academia.

## ANTHROPOLOGICAL STATE OF MIND

**HARTMAN ASKED** the newly hired Barry how she thought THG should conduct its research. Her ideas led to THG’s pioneering methodologies for hands-on analysis of consumer choices and a greater understanding of buying patterns.

“My perspective as a trained anthropologist was, if you want to understand how people are buying things, why aren’t you out there with them while they’re buying things?” she says. “Why aren’t you in their houses and cooking with them or shopping with them or throwing a party and seeing how they interact with their social networks?”

There’s a key difference, Barry explains, between THG’s approach and that of other companies, a difference that’s the secret to the company’s success.

“Sociology and anthropology, compared to psychology and economics, are more inclined to turn things inside out,” Barry explains. “We look at things from a cultural perspective, as opposed to looking at the individual. So, if I want to understand health and wellness, we’re not as concerned what you do, we’re much more concerned with what you and a lot of other people are doing, and how culture and society is informing and influencing what those behaviors are and what those trends are. A lot of other groups will basically mimic back what the consumer said. We don’t take it at face value.”

THG’s research process, as well as its health and wellness focus, intrigued Don Short, vice president of the Coca-Cola Co. In 2002, he decided to consult with THG for positioning in the general wellness market while working in the juice category.

“Coca-Cola hires consumer research groups all over the world.” Short says. “My sense was that [Hartman] understood the wellness con-

sumer better than most.”

A year later, in 2003, Short founded the Beverage Institute for Health and Wellness. Hartman was the only nonscientist who was asked to join the institute’s advisory board, thanks to his keen consumer insights.

## THE AHA! MOMENT

**THERE HAVE BEEN** many surprises for both THG and its clients.

One such client was producing an ad campaign for its nutritional supplement, used by men for prostate health. The company had planned to feature baseball Hall of Famer and longtime manager of the Los Angeles Dodgers Tommy Lasorda as its celebrity spokesman, but it turned out that, in the households buying the supplement, women, not men, were making 80 percent of the health and wellness purchasing decisions.

In fact, “their wives were putting it on a plate in the morning or giving it to them at night, and [the men] thought maybe it was a multivitamin,” laughs Laurie Demeritt, president of THG. “They had no idea they were even taking the product!”

As a result of that realization, the company retooled its ads, using a “real wife” instead—a strategy that met with success.

Although Barry says that she’s constantly surprised by the consumer quirks that the company’s research has revealed, such as the recent spike in public awareness of sustainability issues and how big companies have shaped that perception.

“Six to nine months ago, when we went out and talked to consumers about sustainability, they didn’t know what we were saying. We might as well have been speaking a foreign language,” Barry says. “Now, people have these fairly well informed definitions about what sustainability is. That’s an industry-driven trend.”

She explains that companies such as Walmart pushed the movement by pressuring suppliers to use more environmentally friendly packaging, for example. However, “how the industry and consumers define [sustainability] is actually very different,” she says.

There are likely many such surprises in store for THG. Consumer culture, according to Barry, is shifting faster than ever.

“Just when you think you understand a category or an idea, or what consumers are doing in general, their attitudes start to move, because things are changing really fast right now,” she says. “Cultural shifts used to happen in these thick blocks of time, and now it seems like things are changing monthly.” **SB**