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Dr Graeme Codrington

Beware the rise of the ethical consumer

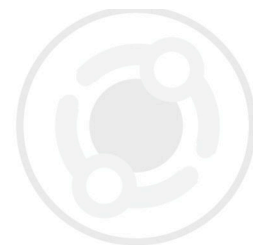
In this article, Dr Graeme Codrington helps you to see your company - your product offerings, your brand, your reputation, your leaders, your people and your future - through the eyes of your future consumers and staff.

Article at a glance

A new generation of “ethical consumers” is starting to demand more than just great products and services at fair prices - they also increasingly require transparency, environmental care, social responsibility, diversity and a host of other characteristics in the companies they buy from. They will be demanding these from their employers in the future, too.

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It All Began About a Year Ago.

For a few months in 2006, the Nickelodeon Channel had been lighting a series of inserts on TV's Cartoon Network (see www.nick2015.com). These cartoons take the 8 United Nations Millennium Development Goals and make them accessible to children, with the pay off line: 'Because every minute of every day you are part of everybody.' My daughter Hannah was nearly five years old at the time, and this grabbed her.

Whenever she saw anything she didn't like, she'd use this catch phrase to help express her indignation. This was on everything from her sister not sharing to unsightly graffiti plastered on the wall of her school. Not acceptable - and she let people know it!

Hannah was five and a half when we were driving along the highway and got stuck behind a delivery van. As it downshifted on a steep hill, it belched a cloud of acrid diesel smoke into the vents of our car. Hannah was indignant and disgusted, and as the family car overtook the truck, she waved her finger at the delivery van driver, admonishing him for 'pollutioning' the air, and loudly berated him, saying, 'Don't you know that every minute of every day you are part of everybody?' I thought this was pretty impressive, and felt really proud of my little girl for having her say.

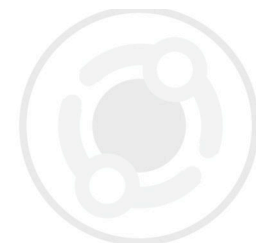
But, then she turned to the front and stunned me by asking, 'Daddy, which company is that, cos I don't think we should buy from them anymore?'

Hannah, and her sisters (willingly assisted by their parents) have since started a 'Boycott List' which has pride of place on the fridge. This is a list of companies and products that our family is not allowed to use. Whenever a company is added to our list, we write an email to them to explain what our list is, why they got onto it, and what they can do to redeem themselves.

Here's the critical question your business has to face today: Are you on Hannah's List? Do you even know? Hannah, and her peers, are in the first ten years of their lives - that critical decade when a person's value system is shaped and formed. And sooner than you can imagine, they will be interacting with your company as clients or staff. What impression is your brand having on them? What does your company look like when seen through their eyes?

The Ethical Consumer

Hannah is typical of a new generation of young people who instinctively understand that they have a responsibility to use their purchasing power to make statements about how the world should work. But don't think that this is just happening among young children. This shift



has been slowly emerging over the past decade. Its symptoms can be seen in everything from accounting requirements for triple bottom line reporting and corporate social responsibility initiatives to consumer boycotts and backlashes against excessive CEO pay. The ethical consumer already exists in your marketplace. They are becoming increasingly vocal and influential. They cannot be ignored.

At her tender age, Hannah doesn't have a framework for understanding the world's problems or how to fix them. But, the older crowd in her generation certainly do.

Solving the Planet's Problems

The people alive today are the first in history to have a clear picture of how human beings could end the world. It's a frightening thought - as a human race, we just recently developed the ability to destroy life as we know it. We actually even have some options on how to do it: global warming at its effects, nuclear war, a superbug (think multidrug resistant TB mixed with Avian Flu and AIDS traveling the world by jumbo jet!) or mutations as a result of tampering with genetic codes, to name the most prominent. And these are just the problems we can control!

Simply put, the world's major underlying problems can be summarized in four major categories. If we solved these problems, most of the other issues would melt away:

The Planet - we are over using our natural assets, running out of critical resources, not able to recycle, and extinguishing entire species at unprecedented rates. Even if we believe that global warming is a contentious scientific proposition, there is no doubt about the unsustainable way in which we are living, and the damage we are doing to our environment.

Poverty and Prosperity - there is a growing divide between rich and poor. History indicates clearly that such a gap is unsustainable - the poor always eventually rise up in revolution.

Peace (or Security) - the first two problems lead to the third: that rich people (and nations) must spend increasingly more on securing themselves. We see this in nations spending on their militaries, and tightening border controls, to gated communities and individuals locking themselves into suburban fortresses, surrounded by private guards and electric fences.

Business - companies and corporations are not making any of these problems better - they are making them worse. Business is obsessed with short term thinking, shareholder returns, and a profit-at-any-price mentality.

In our world of oversupply, with a multitude of choices, young people have grown up addicted to choice. They know they have options - they don't have to buy from you. If you are part of the problem, the ethical

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consumers will use their purchasing power to put you out of business.

Hannah's Rules

In the email Hannah and her sisters send to companies that make her List, we have some things we suggest they consider doing. These are things they can do to ensure they connect with this new generation of ethical consumers that are rapidly arriving in their workplaces and have growing wallet power. We call this list, 'Hannah's Rules'. They represent the concerns of an entire generation.

Here is a sampling of some of Hannah's rules, and the questions her generation is asking about you before they connect with you:

If its icky, I don't want it - what is your carbon footprint? Do you have an environmental policy? How 'green' are you?

If you're not fair, I won't play with you - how do you treat your staff? How much does your CEO earn in relation to your lowest paid workers? Do you have any 'sweat shops' or unethical labour practices?

If it isn't fun, I'll just get bored and walk away - how do you communicate with people? Do you take yourselves too seriously?

Mine, mine! (or: What's in it for me?) - the old contract of loyalty for security is over. If you want loyalty, you have to offer me something in return. What's on offer (and by the way, if your answer is 'a job with a salary', that isn't enough)?

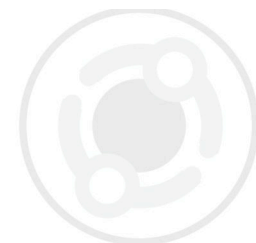
If you're not on Google, you don't exist - how techno-literate are you? Is your webpage interactive, or is it just an electronic brochure? Are you up to speed with social networking? Do you move at 'the speed of thought', or are you not getting the best out of your technology solutions?

If I won't buy from you, I won't work for you either - you can't wait until I am 'grown up' before you start worrying about what I think of you!

Do you want to know about your customers and staff of 2020? Would it be valuable to know what the future is going to be like? This is not as much a mystery as you might think. Your youngest staff members and customers in 2020 are already 10 years old. They already know what they want, and have strong opinions about themselves, the world, and you! Who is your Hannah? Who's eyes are you able to use to look at your company, your brand, your leadership, your products, your services, and - don't forget - your delivery vans, too?

Dr Graeme Codrington is an expert on corporate talent and the future of work. As a member of the TomorrowToday team, he specializes in powerful, yet playful, keynote presentations. His latest presentation, 'Hannah's Rules: The Rise of the Ethical Consumer' is now available. Contact Graeme at graeme@tomorrowtoday.uk.com

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