

LOHAS – THE LARGEST MARKET YOU’VE NEVER HEARD OF

In »green branding« it is increasingly important to study the underlying trends and shift in consumer preference that drives the demand. If not, environmentally focused branding campaigns or new green product launches may be perceived as »Greenwashing«, a deceptive attempt to look green, but with no substantial change under the surface. One way of dealing with this is to study the concept of LOHAS – Lifestyle of Health and Sustainability.



»LOHAS might be the biggest market you’ve never heard of«. That is what the New York Times wrote in 2003. Since then brand and consumer experts are learning more and more about this influential target group. LOHAS is an acronym for Lifestyle of Health and Sustainability. It is not only a cluster of consumers, but also a definition of the market for products and services that these individuals prefer. The market consists of several different segments ranging from organic food and spa & yoga services, to fuel efficient cars and natural health products and more.

A VALUE DRIVEN MARKET

The interesting aspect of LOHAS consumers is that they are linked together not primarily by demographics, like age or income, but by their values and beliefs. In the US, Japan, Australia and in certain countries in Europe, extensive research has been carried out in order to define and understand these people. The current estimate is that LOHAS consists of about 100 million people worldwide and that approximately 20 percent of the population in Europe and Scandinavia may be labelled LOHAS consumers.

THE SOUL OF THE NEW CONSUMER

This group of people are demanding, creative, active, well informed and influential. They serve in many markets as early adopters of new consumer behaviour and they tell their friends if they are dissatisfied or enthusiastic with their trials. The LOHAS consumer can be found in most layers of society. They cannot be boxed in by demographic instruments, but notably there are more women than men, more 30 something’s and fewer in the countryside. What holds this group together is their resilience in their quest for »The good life with a conscience«. The duality of having it all – but not on someone else’s expense. Firstly, LOHAS consumers are definitely into eco and organic, but beyond environmental movements. They are not militant or extremists. Secondly they are global citizens. They love to travel,

visit new cultures and learn foreign languages. Thirdly, they have a passion for fairness and equality, in the workplace, the society and between developing and developed countries.

LOHAS BRANDING?

So how should new brand strategy be constructed in order to correspond with this emerging phenomenon? Well, consider these three guiding principles:

1. AUTHENTICITY RULES

LOHAS consumers are aggressively critical to anything that may be labelled as »fake«. They are the ones that read the small print, look up your brand on Internet forums and like staying informed by unbiased reviews. To appeal to LOHAS consumers, your brand needs to be genuine and trustworthy, from the inside out. »LOHASians« tend to perceive brands as authentic when things are done exceptionally well, executed individually and extraordinarily by someone demonstrating human care. Originality in design or being first of its kind is also reinforcing authenticity. Artificial, synthetic run-of-the-mill products are rejected, as well as imitations and products made by an exploited workforce or from abused animals. Enhance your brand by finding the story within. Explore the original idea of the founder or the creator of the product! Search for the passionate motives of the ones that invented the company. Tell the true story – and tell it well. Always base your brand storytelling on facts and people – don’t lie. Be honest and authentic and brand loyalty will follow.

2. PERMISSION TO ENJOY

It is a cruel world. The recession is not making things easier. People like to indulge themselves, especially when it’s cold out there. LOHAS consumers love music, travel, social gatherings, beautiful things and food. They are true »Foodies«; individuals that like to cook, eat and discuss food and drinks. Taste is just as important as the healthy aspect. Pleasure should not only be a

sensory experience, but also good for your body and soul. Make sure it’s organic and fair trade certified. Minimize transportation and CO2 emission, use fresh natural local ingredients, avoid additives and derive beauty from nature. The LOHAS consumers are social creatures and enjoy being around other people. They like to look good at work and when they meet friends. They read magazines rather than watch TV. They blog and use social media. They listen and take notice of public figures that have esteem. They do not take part in the superficial »blingbling« show-off, celebrity adoration circus. So use your references wisely. If you need to boost your brand with associations from well-known personalities, don’t be afraid to use eccentric and outrageous characters as long as they have passionate hearts and witty minds.

3. BE PROACTIVE – THINK CONSERVATIVELY ABOUT NATURE

Let’s face it. This is it! This is now! There are no reruns in the terrestrial phase we are in. If we are to believe scientists, we might need two more planets before the year 2050 in order for supply to meet demand in an ever increasing population. Climate change issues need to be settled by then. Exploitation and unfair trade must be eliminated if we are to avoid cultural and national conflicts. The most powerful institutions in the world today are not political. They are organizations and corporations. By taking long term responsibility, all marketing executives and branding experts can truly contribute to a better world. Inject passion and facts into board members that consider sustainability issues fluffy and dopey. Extract leverage from the 100 million change agents of »LOHASians« that demand accountability and sustainability, and are willing to pay money for it. LOHAS consumers do not hesitate to pay price premium of 10-50 percent for products that meet their requirements. They do like exclusive fashion brands, great tasting wine, designer homes and comfortable transportation. They just demand their brands to be genuine, fair and leave small footprints on the resources

of this planet. Thinking conservatively about natural resources should be as obvious as economizing with financial resources of your company. It’s common sense that if you minimize waste your earnings will maximize. Just apply that a little more holistically.

BRANDS OF THE FUTURE

Consumers come in all shapes and sizes. The LOHAS cluster is just one of them. Still, this new group of knowledgeable individuals may be the ones that make or break your growth strategy. By adapting your products and services, bit by bit towards sustainability, you will gain these people’s respect and attention. And from a commercial aspect, a larger part of their wallet. Then one day in the future you might conclude: »Doing good is truly good business!«

QUICK FACTS AND FURTHER READING:

- LOHAS is an acronym for »Lifestyle of Health and Sustainability«.
- LOHAS stems from a social and cultural stratum coined »The Cultural Creatives«, by the American sociologist Paul Ray, PhD.
- The LOHAS markets for brands, products and services is estimated by LOHAS.COM at 209 billion dollar in the US alone.
- The European share of LOHAS consumers is calculated by Porter Novelli in 2008 to be 19-24 percent of the population.
- Further reading at Lohas.com, Lohas.se, Lohas.de, Lohas.dk Lohas.com.au. And the forthcoming book »Grön Kommunikation« by Victoria Olausson, 2009.

Source: *The Cultural Creatives: How 50 million people are changing the world, 2000; Paul H.Ray, Sherry Ruth Anderson, Lohas Journal vol 8-10 2007-2009. Porter Novelli Profile: Greenfluencers, 2008, David Zucker, NY, US. New York Times, July 2003 »They Care About the World (and They Shop, Too)«, Amy Cortese.*



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