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ENLIGHTENED CONSUMPTION

What's the Trend?

Empowered with more information about products and services, people are choosing to make a statement about their values and the world today through what they buy, where they work, and how they invest.

In the late 18th century, many Europeans were afraid to eat tomatoes.

The fruit was known morbidly as a "poison apple" and was believed to cause illness and even death among the aristocrats who ate it.[1] What no one thought to check was the plates they had been using. It turned out the acidity in tomatoes was reacting with the pewter plates in use at the time, and that the cause of death was actually lead poisoning.

These days, it is easy to assume that confusion of this sort would be unlikely. Our science is far too advanced for us to make this type of mistake again, right? Perhaps not.

Less than 50 years ago, complaints from people who were suffering from symptoms like "numbness and a general feeling of weakness" prompted the *New England Journal of Medicine* to issue a warning for what they called "Chinese Restaurant Syndrome." This dangerous-sounding epidemic was blamed for the presence of large quantities of monosodium glutamate (MSG) in Chinese food. For decades, MSG was so vilified that food packaging frequently included the words *MSG-free,* and even Chinese restaurants began declaring that they prepared food without the chemical. After decades and hundreds more studies, the link between MSG and this so-called "Chinese Restaurant Syndrome" was never found. In fact, it turned out that high levels of MSG are found in many foods that we love, including parmesan cheese or an aged steak. [2]

Science on food and nutrition in particular seems filled with this type of contradictory advice, and has been for hundreds of years. What is different today is that the pace at which these sorts of revelations are coming out seems to be accelerating, thanks to the vast amount of knowledge we have accumulated about the food we eat.

Every week there is a new miracle food and so we engage in a desperate and futile quest to find a way to integrate it into our diets. If only there were a perfect recipe to combine quinoa, acai, coconut water, kimchi, and cricket flour.

Yet with this abundance of "knowledge" often comes confusion. Coffee is unhealthy, and then it isn't. You should avoid alcohol but also drink a glass of red wine a day. Chocolate is good for you, but only if its *dark* chocolate. Fats can make you fat. Or maybe it's carbohydrates. Or perhaps it's sugar.

A recent revelation about sugar recently made big headlines, as a *Journal of the American Medical Association Internal Medicine* paper reported that the sugar industry had paid for scientists to produce research that would downplay the link between sugar and heart disease in the 1960s.[3]

When it comes to food, the science seems to change so frequently that it is hard to know if anything is good for you anymore. Added to that is the challenge of knowing whether any study is truly unbiased or whether it may have been funded by industry players with ulterior motives. Yet there is more transparency today than there ever was, mainly because consumers are demanding it. Releasing a single manipulated study published by scientists on the payroll is no longer enough. As access to information grows, consumers expectations for knowing how the products and services they buy were produced have increased.

We call this trend *Enlightened Consumption:* Consumers and workers are demanding to know exactly how the products and services in every category that they consume will affect their own happiness, health, the environment, and society.

> *"What you wear, eat, and consume says more about who you are than about where you come from."*
>
> GILLES LIPOVETSKY, Philosopher, Professor, and Writer

Tools For "Applightenment"

Technology is a constant enabler of our newfound ability to experience products and services from a position of enlightenment, where we know more about how they were created.

Thanks to technology, today one can find information about how products are sourced, produced, shipped, distributed, and packaged in real time, even as one is making a decision about a purchase.

Now consumer-friendly apps like Barcoo (Germany), Good On You (Australia), the Good Shopping Guide (UK), and dozens of others are meeting consumers' high demand for information about the products they are considering. These apps offer information on all kinds of issues, including treatment of animals, carbon footprints, ethnical labor practices, diversity of hiring, and political affiliations.

People often use their mobile phones in stores to research products immediately before purchasing.[4] These apps make it easier to get an instant scorecard on the product you are thinking about buying so that you can decide for yourself if it aligns with your ethics. On the business side, a lack of transparency and ethical lapses have led to millions of dollars of lost revenue and market share for brands that have not been able to grasp the power of today's enlightened consumers.

After allegations of sexual harassment, stealing trade secrets, and profiteering, Uber has gone from claiming 91% of the ride-sharing market in the US to just 74% in two years.[5] In late 2017, the company lost its license to operate in London because of “a lack of corporate responsibility in relation to a number of issues which have potential public safety and security implications,” according to a statement from London transport authority Transport for London (TfL).[6]

Other major cities are considering taking similar moves to ban the service. While they may manage to turn the situation around by making concessions for drivers or implementing other changes, Uber has become a go-to case study on the dangers of ignoring how much customers care about how the businesses they support are run.

B2B Sustainability

Aside from empowering customers to vote with their wallets, *Enlightened Consumption* is also changing the way that companies buy goods and services. More B2B suppliers are finding ways to do business ethically, diversify their management teams, focus on sustainability, and boost other positive elements of their operations. In conversations with our clients working in diversity and procurement, a similar theme runs through their efforts to try and ensure they are buying ethically, focusing specifically on finding partners who have diverse female or minority owners.

Enabling this drive to do business in a more enlightened way, companies like Netherlands-based ChainPoint and Germany-based Thinkstep have built software solutions to help companies add more transparency to their supply chains, so they can share information about their operations with procurement managers who are increasingly demanding this type of transparency from the vendors they buy from.

A good example is Stony Creek Colors, which offers a new environmentally friendly way to manufacture colored dye. Rather than using toxic chemicals, Stony Creek’s blue dye is produced using indigo plants grown by farmers. These farmers once grew tobacco, but now they have replaced it with Indigo. It is a perfect example of non-obvious thinking: simultaneously Stony Creek can meet buyer needs and help struggling farmers to support their families, create sustainable jobs and renew their sense of purpose. The dye has become so popular that the company is now scaling efforts and using a combination of plant breeding and chemical engineering to change the way dye is made and purchased.

Another example is the efforts of fashion industry titan François-Henri Pinault, the CEO of Kering (parent company for 16 fashion brands including Gucci, Boucheron, and Yves Saint Laurent).[7] After acquiring Puma, Pinault was inspired by the brand's idealistic CEO Jochen Zeitz to create a new way to measure the impact of sustainability. His EP&L (environment profit and loss) metric is now helping Kering's house of brands rethink the way they produce around the world.

Transformative Travel & The World's Quietest Place

Gordon Hempton has spent decades seeking the one sound that has become increasingly hard to find on Earth: silence.

Hempton, also known as The Sound Tracker® (his trademarked name), practices "acoustic ecology" and describes silence as an endangered species. He has traveled the world in pursuit of Earth's rarest sounds and recently started working with a Seattle based tour provider on an experience that promises to take travelers into a place he calls "One Square Inch – a sanctuary of silence."

"I think we're realizing quiet is important, and we need silence; that silence is not a luxury, but it's essential. It's essential to our quality of life and being able just to think straight. When we become better listeners to nature, we also become better listeners to each other"

Gordon Hempton, Sound Tracker®

The curated quest for deep silence is a perfect example of what many industry insiders believe to be the future of travel: an experience that is not only unique and interesting, but also promises some sort of transformative experience.

This desire for "transformative travel" gained so much attention over the past year that *Vogue* magazine declared it "the travel trend of 2017." The term was described as travel motivated and defined by "a shift in perspective, self-reflection, and development, and a deeper communion with nature and culture."

Catering to this desire for transformation, travel tour operator Thread Caravan offers hands-on experiences like farm-stays in Peru where you can learn to sheer llamas, spin wool and weave it into textiles.

The successful multi-year Incredible India tourism campaign actively promotes the country's longstanding reputation as a destination that offers spiritual enlightenment.

Photo: Incredible India tourism campaign.

Ugly Fruits and Selling Your Leftovers

Turning back to the food industry, growing concern over the amount of food thrown away every year has led to a staggering amount of innovation in food recycling and upcycling in order to reduce waste in a world that is currently throwing away 30 to 40 percent of the food we grow or produce.[8]

In Italy, renowned chef Massimo Bottura founded a restaurant to serve meals to the poor and homeless using surplus and donated food. It is called Food for Soul and it exists in an abandoned Milanese theater donated by a Catholic Church.

Tech-savvy entrepreneurs in Finland have created apps like Neighborfood (which allows anyone to sell their leftover food locally) and ResQ (a tool through which restaurants can sell surplus food at a discount). The FoodforAll app offers the same service for restaurants in the United States.

Quirky Portland-based ice-cream maker Salt & Straw is putting a spotlight on food waste by featuring flavors like Curds & Whey or Spent Grains & Bacon S'mores, which use non-obvious thinking to incorporate by-products from local farms and offer a highly visible example of how we can reuse products that might otherwise be wasted.

Grocery stores are also targeting the enlightened customer in novel ways. Intermarché in France and Walmart in the United States (along with many smaller grocery stores) have committed to selling ugly fruits and vegetables, misshapen, bruised, or lumpy produce that is still fresh and tasty, despite its appearance.

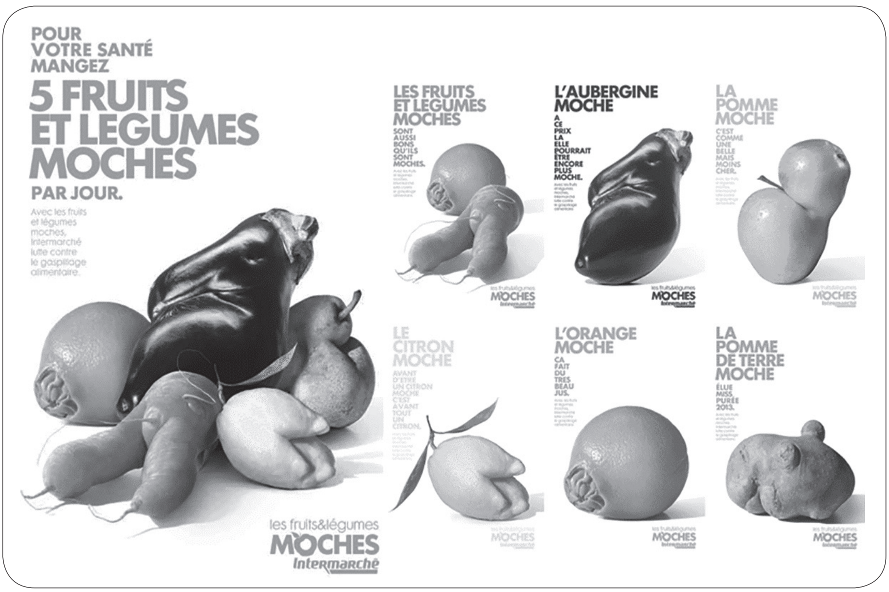

Photo: "Inglorious Fruits and Vegetables" campaign

A German supermarket named The Good Food in Cologne sells only salvaged food that would have otherwise been wasted. To help put all this ugly salvaged food to use, celebrity chef Mario Batali even published *Ugly Food,* a free cookbook in celebration of Earth Day this past year.

Just outside of New York in the Bronx, fruit and vegetable processor Baldor has built a 172,000 square-foot facility where they not only wash, chop, and package fruit and produce for grocery stores and restaurants, but also bag vegetable scraps to sell to juicers and chefs. The company has even begun blending scraps into new products such as a mix of 20 dehydrated vegetables that can easily be added to certain recipes.

This groundswell of retailers, chefs, and restaurants believe that doing good and helping the environment is important, and, as we help our clients understand, doing good does not need to constrain your business but can catalyze non-obvious thinking and innovation. Companies like these and others understand that connecting with enlightened consumers through a shared sense of responsibility inspires belief, fosters innovation and drives purchases.

Enlightened Investing

There is no doubt that people are giving more thought to where they put their money. Sustainable investing is now a $9 trillion market[9] with dedicated attention from major players in the finance industry like Morgan Stanley's Institute for Sustainable Investing.[10]

Some of these groups are creating new models for how investments can and should be tracked based on more than just the simplistic method of performance of the share price. Ethical financial firm Aspiration, for example, built a proprietary Aspiration Impact Measurement (AIM) program which analyzes thousands of data points to generate two scores for corporations: one for their treatment of people and another for their sustainability practices. These "People" and "Planet" numbers are integrated into purchase behavior so their customers can measure in real time the ultimate impact of their purchase, as well as their investments.

Despite what most people assume, sustainability investing is not only for high-net-worth individuals either. An investing app called Swell offers anyone the chance to invest in one of six socially responsible investment portfolios with a minimum investment of just $500. Portfolio categories include renewable energy, clean water, disease-eradication, healthy living, green tech, and zero waste.

Stash is another startup tool that democratizes sustainable investing even further, with a minimum investment of just $5. To entice millennials who are probably investing for the first time, the team behind the app keeps the initial investment minimum low and arranges investments in relatable, consumer-friendly categories such as the Global Citizen fund (including companies from around the world) or Clean & Green (for companies that produce solar, wind, or other forms of renewable energy).

As more people aspire to be more intentional with what they consume, this is also affecting the way they invest and the portfolio of companies they choose to support and believe will grow in the future.

Enlightened Employment

In 2015, one of the most powerful predictions in our Non-Obvious Trend Report was *Mainstream Mindfulness*, a trend we used to describe a growing shift among companies to mindful management and leadership practices in the workplace. Since that time, the trend has grown dramatically.

One of the strongest voices heralding the connection between mindfulness and *Enlightened Consumption* is Paresh Shah, a Harvard MBA turned Yogi. Paresh is a respected strategy and leadership consultant who, after intensive studies in mindfulness, became a wisdom and yoga instructor. Based on his research and corporate work, Shah describes the mindsets and skills of an essential group of workers he calls “Lifters.”[11]

Shah defines this growing group in this way:

> *“Lifters are everyday ordinary workers who know how to elevate their companies, coworkers, customers and community all at once. As employees,*

they know that everything and everyone is connected, and that purpose, positivity and social responsibility can lead to 10 X performance."

Unlike demographics that thinly slice people into segments (often based on their year of birth such as Millennials), Shah's research shows Lifters span all ages or race boundaries and he presents the persuasive case that we are seeing a major shift in how people and corporations are starting to think:

"This shift is bigger than the Internet Revolution – we have entered a new era defined by Connectedness, Compassion, Creativity and Consciousness. Just as the nerds and geeks were indispensable heroes of the Information Age, disrupting industry after industry, Lifters are the emerging motive force within organizations (and quite a few of them are nerds and geeks too!)."

Shah's research indicates that organizations that embrace and cultivate Lifter Leadership™ mindsets and skills will have higher performance and be best equipped to solve the biggest problems companies face, including worker motivation, innovation, customer engagement and social responsibility.

What It Means

There was a time when questionable product sourcing or unethical labor practices were once more easily ignored or handled with a well-crafted press release and charitable donation. Today unethical choices are more easily exposed, sometimes by those who see this as their own personal moral crusade (read more on this in Chapter 10 on *Manipulated Outrage*).

There is a race happening now among companies to try and find the right ways to tell their stories of doing business and helping the world without resorting to unbelievable claims of "greenwashing." This is not just a marketing challenge but also affects the board room where pioneering leaders are forced to explain their decisions to often skeptical stakeholders and investors.

The good news is, we are seeing more and more research proving that doing business in more ethical, conscious and "enlightened" ways can lead to higher return on investment, greater innovations and greater worker and customer engagement. Over the coming year, thanks to this growing movement, we will see more organizations invest deeply in mindfulness, purpose, sustainability, diversity and inclusiveness, and community social responsibility.

How to Use This Trend

- **Hire and cultivate enlightened workers.** Hire people within your organization (Lifters, as Mr. Shah calls them) that represent the enlightened mindset to help you understand how the enlightened consumer thinks and to drive conscious, mindful practices across your business. Conduct systematic assessments of each product and service to identify areas that require "upgrades" to serve enlightened consumers (materials, labor, environment, use of diversity, etc.).
- **Develop and track softer metrics.** Just as Kering developed its EP&L in order to track its own performance, develop a visible score¬card to track real progress in key dimensions and share and engage employees on how to continuously make improvements.
- **Find unexpected ways to give back.** Do you have materials or supplies in your business that could be reused or repurposed into new products? One of the ways to give back could be by getting more inventive about how to reduce waste and operate with more sustainability programs both in-house and with external partners.