



Solution seekers – A new market opportunity

INTRODUCING NEW RESEARCH INTO A GROWING GLOBAL
MARKET TREND IN SUSTAINABLE CONSUMER BEHAVIOUR



MOXIE DESIGN GROUP

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There is a multi billion dollar market for more environmental and ethical products and services. Sustainability is no longer a concept, it's a serious business opportunity.



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Background

THERE IS EVIDENCE THAT A NEW AND GROWING CONSCIENTIOUS SEGMENT HAS EMERGED IN EUROPE AND THE USA WORTH IN EXCESS OF \$250US BILLION. THIS CONSUMER SEGMENT ACTIVELY SEEK PRODUCTS AND SERVICES THAT SHARE THEIR GLOBAL ENVIRONMENTAL AND SOCIAL VALUES AND THEY ARE PREPARED TO PAY A PREMIUM.

This new market is redefining the future of business brand positioning. The future now lies in authenticity i.e. businesses that show they are genuine, trustworthy and offer meaningful solutions.

MOXIE Design Group has experienced the evolution of this shift. We have long felt that when a market for sustainable products and services exists, it would be a greater enticement for business to engage in sustainability than the current case, based on efficiency gains and reputation protection. This market led approach is better. It's the 'show me the money, by showing me the market' model.

If markets exists in Europe, USA and parts of Asia, does it exist in New Zealand?

With a solid understanding of this market internationally and with the generous support of the Shell Sustainability Fund, MOXIE recently (2005) commissioned this research into the New Zealand perspective. Involving quantitative and qualitative research, MOXIE gained unique insight into the New Zealand market.

- *Understanding the attitudes to and the wants and needs of people who value a lifestyle of health and sustainability (the LOHAS approach) - including their motivations and barriers, current actions and information gathering behaviour.*
- *Understanding their purchase decision making process and the factors that influence it – particularly what trade offs/priorities they make.*
- *Understanding how to brand, market and package in order to connect with the market need.*
- *Establishing key communications sources, channels, messages and style that work well for them.*

The following is a brief overview of the key findings and the implications it has on New Zealand business into the future.

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A changing world view

A CHANGING WORLD VIEW

We live in a world unprecedented and unimaginable to past generations. Where features and benefits have become commodities, where we receive information and entertainment on demand, where we can bid for a house online or anything for that matter at any time, day or night, where we travel greater distances in more comfort than ever imagined.

But there are consequences and they are becoming more visible, more noticeable, more often. Rising oil prices, pollution, extinction, social disorder and simply a lack of time are having an effect on society. People are feeling their lives are out of control and they are feeling culpable for their lifestyle and consumption choices.

There is a growing number who are trying to change. They are trying to take control of their consumption choices and take responsibility for their actions in a world they feel is increasingly out of control and under pressure.

These people share a similar world view, values and lifestyle and tend to make consumer decisions based in part on these environmental and social considerations.

They want to be responsible for their lifestyle and feel better about the consumption choices they make as a result, they are constantly looking for information and qualifiers to advise them. They aren't merely looking for existing products made 'greener', they are looking for whole new solutions that support their lifestyle choice. They want business to help them make better choices by delivering solutions.

This is why they have been collectively named Solution Seekers.

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Solution Seekers

WHAT'S DISTINCTIVE ABOUT THEIR WORLD VIEW ?

Solution seekers have a different world view from traditional consumers. They choose to reject the current consumer culture of excess and subsequent stress, choosing instead to contribute to community, take care of their physical and emotional wellbeing while maintaining financial security.

They understand the concept of sustainability (providing for current and successive generations) but realise this is a global goal. For them they can only act in practical everyday ways. It's more a case of being aware of the consequences of production and consumption and taking a distinctly individual approach, taking responsibility and control of their own actions by keeping well informed. They actively seek information to validate their choices.

JUST MORE 'GREEN' PRODUCTS OR WHOLE NEW SOLUTIONS ?

WEIGHING UP THE OPTIONS

Solution Seekers may want to make the right decision socially and environmentally, but they have to constantly weigh this up against what's available versus their needs and desires. They still consider a variety of traditional factors such as quality, desirability, choice and cost when making purchasing decisions.

SEARCHING FOR NEW SOLUTIONS

They are also looking for more than just existing products made 'greener', they are looking for whole new solutions that match their world view. They aren't giving up on the (technological and scientific) benefits of modern life, they just want them delivered in new and more environmentally and socially acceptable ways. Solution Seekers are largely reliant on producers bringing alternatives to the market.

EVALUATING MORE THAN FEATURES

They are evaluating products and services more broadly than the past. Analysing more than just the promised features and benefits they are also considering the entire manufacturing process in their decision making. They want to know where and how products and services originate.

As a result producers need to actively inform and educate Solution Seekers on new alternatives and help them feel they have the control to make wiser choices. This requires new approaches for brands to engage these consumers.

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A growing market

SEGMENTATION

Conservatively about a quarter or 26% of the New Zealand population can be classified as Solution Seekers (using an evolved USA attitudinal classification) based on the 2005 quantitative research conducted by MOXIE and TNS.

GROWTH AND INFLUENCE OF SOLUTION SEEKERS

There are three driving forces that continue to grow the size of the Solution Seekers Market; compounding consequences, growth in new products and services and positioning sustainability as style. In time MOXIE Design Group believe Solution Seekers will become the dominant market in New Zealand.

1. CONSEQUENCES ARE COMPOUNDING

The global and local consequences of our lifestyle aren't going away, we're reminded every day. Tipping points are occurring globally. Greater awareness continue to drive the growth in the number of people wanting to exercise control of their lifestyle and consumption choices.

2. INTERNATIONAL GROWTH IN NEW PRODUCTS AND SERVICES

In 2004 there was a 10% increase in new product services offering to this market in the USA. This equates to an additional \$US25 billion in new product services targeting this market. This indicates that business is exploring the opportunities and responding with new solutions.

These new products and services will have a trickle down effect to the New Zealand market in time. It also offers many opportunities for first movers.

3. SUSTAINABLE STYLE

Sustainability is being positioned as desirable, hip and stylish in the USA. Celebrity endorsement of sustainable behaviour is fuelling the growth and desirability of products and services that meet this market.

USA culture is influential at a global level, we believe this will also have an effect on the growth of New Zealand Solution Seekers.

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Who are Solution Seekers ?

THEY ARE NEW ZEALANDERS

They are a diverse group that spans all ages, regional and urban backgrounds and other socioeconomic factors.

THEY ARE NOT 'GREENS' OR GREEN CONSUMERS

They view greens as radicals. Their approach is much more individualistic - a mainstream market trying to make better decisions.

THEY ARE SMART, INFORMED - AND GLOBALLY AWARE

They are technologically savvy and well informed, there are no barriers to getting information to make decisions. They actively search for information using the web and satellite television.

THEY ARE BRAND AND MARKETING SAVVY

They understand when they are being targeted by brands and marketers and are weary of being over-promised. They seek authenticity in brands.

THEY EXPECT THE BENEFITS THEY RECEIVE FROM MODERN SOCIETY, BUT WANT THEM PROVIDED IN A WAY THAT MEETS THEIR LIFESTYLE CHOICE

They like the benefits and value they receive from modern society but want them to meet their new lifestyle choice. They want businesses to assist them to make better choices.

THEY SEEK INNOVATIVE SOLUTIONS THAT RESONATE WITH THEIR VALUES AND BELIEFS

They are looking for new solutions that meet their new lifestyle choice. They want well designed and highly considered solutions.

THEY ARE SEEKING A RELATIONSHIP WITH COMPANIES IN TERMS OF CONSUMPTION PROCESSES NOT MERELY THE ACT OF CONSUMPTION

They want to affiliate themselves with organisations who's values resonate with their own. From the sourcing of materials through to the end use of the products.

THE STRENGTH OF THEIR ATTITUDE IS DIRECTLY CONNECTED TO THEIR CONSUMPTION BEHAVIOUR

Their convictions become stronger the more they exercise their values based consumption choices. This will continue as more new products and services are targeted to this segment.

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The opportunity

Solution Seekers are questioning what is in their food, homes, and other everyday products. There is a rising, global shift towards a healthy and sustainable lifestyle and this shift is leading to changes in products, services and the way people are marketed to. The growth and value of this shift is compounding and for companies and government to realise the potential opportunity they will need to reconsider what they offer and how they connect with this market.

SO WHAT ARE THE KEY CONSIDERATIONS?

1. RETHINKING THE OPPORTUNITY

Solution Seekers are a discerning and educated audience looking for alternatives to replace their current choices. And that degree of choice is based on what they find necessary and meaningful in their lives. To capitalise on this requires more than simply re-engineering or greening an existing product line, it's about understanding what your product or service ultimately delivers then looking for new and more sustainable ways of providing it.

The key to understanding solution seekers is to follow a market centered design approach to new product service development, or by creating a Product-Service System solution.

2. BUILDING MEANINGFUL CUSTOMER RELATIONSHIPS

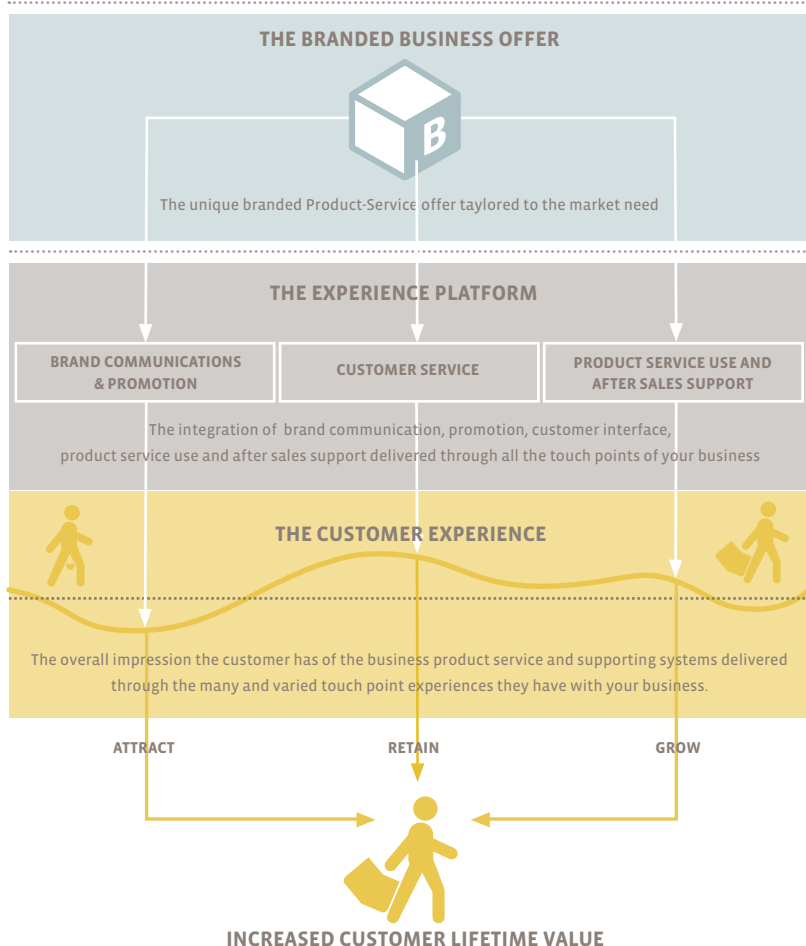
They are a time poor and skeptical audience. Solution Seekers want authenticity and relationships with companies that share their world view and provide meaningful solutions. This requires more than the traditional model of customer acquisition, but rather a model that considers long term relationships with customers. Brand, communication and marketing activity will place more emphasis on the benefits and opportunities for the Solution Seekers to take control and make meaningful contributions towards others and the environment.

The key to achieving this is to consistently deliver meaningful experiences through all the touch points a business has with its stakeholders. The benefits being greater authenticity, brand loyalty and increased customer value.

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Delivering meaningful customer experiences



HOW MOXIE CAN HELP

RETHINKING THE OPPORTUNITY

Presenting a detailed summary of the market and exploring the opportunities for your business.

BUILDING MEANINGFUL CUSTOMER RELATIONSHIPS

Develop an experience platform for delivering a meaningful Product-Service experience to your customer through the many and varied touch points of your business.

If you would like to know more please ask for our brochure - MOXIE; Developing meaningful customer experiences.



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Conclusion

Solution Seekers are a growing segment that may become the dominant New Zealand market in the very near future. MOXIE Design Group believes this has implications for business and government and that engaging sustainability is more than a compliance and reputation issue. The future lies in the creation of innovative and sustainable product and service solutions this new market demand. This market is a massive business opportunity that is only now starting to be tapped.

To make the most of this opportunity business and government need to design their organisations to deliver on this 'authentically'. This means reflecting on strategy, marketing communications, product service delivery, everything so that it is transparent and resonates with the values of Solution Seekers.

It's a movement away from strategic sustainable brand positioning to actually providing real world solutions that allow this group to take control and feel good about consumption decisions for themselves.

The future of brand and marketing is to act as an effective liaison between these solution seeking consumers and businesses who engage in and support eco-friendly practice, services and products. In future marketing will do more to emphasise the benefits to this lifestyle.

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About MOXIE Design Group

Moxie is an attitude. 'To apply skill, daring and verve to challenge the status quo, stand and deliver on that'. Truly great companies have Moxie - they have the vision, self belief and courage to be good. And to be good is to be great.

MOXIE Design Group is a brand development and communications design practice based in Wellington New Zealand.

Our services are aimed at helping organisations connect with consumers in more authentic and meaningful ways. Our approach is informed by our understanding of changes in market needs, branding and communications. We have developed a number of unique methods to help clients build long term customer relationships and greater profitability.

OUR SERVICE AREAS

- 1 We help our clients understand the opportunity they may have with the Solution Seekers market.
- 2 Working in close association with our clients we design and develop brands, communication and promotional strategies and material to attract, sustain and grow customers in authentic and meaningful ways.
- 3 And by working alongside partner companies we provide advice to our clients on better business practice so they can make the most of the market opportunity.

PEOPLE

MOXIE has a multi-skilled team of design thinkers from diverse backgrounds which means that it brings a range of experiences and perspectives to your organisation.

CLIENTS

Some of the clients MOXIE have worked with include:

Shell New Zealand, CentrePort Wellington, Shell Singapore, NZTE, Greater Wellington Regional Council, MfE, MFAT, The Cancer Society, State Services Commission, CC Amitel, Beacon Pathway, MetService, ARTNL, Education Review Office, Tall Poppies Consulting, EECA, The Ministry of Tourism.

If you are interested in knowing more about how we can assist please contact us.

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