

Three Characteristics of the New Conscious Consumer

Sustainable Cosmetics Summit

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Good morning, I'm happy to be here with all of you talking about sustainability today. I don't know about you, but I've been feeling a bit overwhelmed with the magnitude of bad news recently: tornadoes, earthquakes, floods, wars, foreclosures, the still ongoing nightmare at Fukushima. And the news keeps coming at us.

I heard the other day on John Stewart (so it must be true) that a teenager in Africa with a smart phone has access to more information today than the President of the United States had about 15 years ago. This is a new day, and it's a fascinating time to be alive.

As Alice Walker has said: "These are the best of times, because we have entered a period, if we can bring ourselves to pay attention, of great clarity as to cause and effect."

We know now, for example, that the environment is our bodies. It is our wombs, our breasts, our reproductive capacity and the health of our children. The same poisons running through the rivers and being dumped in the oceans are running through our veins.

A couple weeks ago, the first reports came out of Japan that found radioactive iodine in the breast milk of 4 women. That's what I call an unacceptable risk.

We also know from recent science that every single one of us is carrying the products of the chemical industry inside our bodies – the unregulated and mostly untested substances that didn't even exist when my own grandmother was born. We know that every baby born on Earth has hundreds of synthetic chemicals known to be toxic inside their bodies -- chemicals linked to cancer, infertility, learning disabilities and other health problems that have become epidemic in the 21st century.

It used to be fringe to talk about this stuff, but not anymore. I've been at this for 20 years, first as a journalist writing investigative stories about environmental issues, and for the past decade as part of the non-profit community where I work with leading researchers and advocates in the field of environmental health. In that time, I've seen these issues go from the outskirts of public awareness to the very center of mainstream scientific concern and public consciousness. Just a few recent examples:

President's Cancer Panel Report, 2010

http://deainfo.nci.nih.gov/advisory/pcp/annualReports/pcp08-09rpt/PCP_Report_08-09_508.pdf

- "The true burden of environmentally induced cancer has been grossly underestimated."
- "With nearly 80,000 chemicals on the market in the United States, many of which are used by millions of Americans in their daily lives and are un- or understudied and largely unregulated, exposure to potential environmental carcinogens is widespread."

- “The American public – even before they are born – are bombarded continually with myriad combinations of these dangerous exposures.”
- “Government must work to protect every American from needless disease through rigorous regulation of environmental pollutants.”
- The Panel recommended: research is needed on endocrine-disrupting chemicals in personal care products and cosmetics to improve our understanding of environmental cancer.

New England Journal of Medicine editorial, March 2011

<http://www.ncbi.nlm.nih.gov/pubmed/21366471>

- Out of 80,000 chemicals on the market, only 200 have been adequately tested for carcinogenicity.
- “Researchers should evaluate the effects of low-level exposures to combinations of potential carcinogens, as well as exposures that may begin in utero and extend through a lifetime” -- this is not the way chemicals are currently evaluated.
- “We need stronger environmental laws and regulations to require premarketing safety testing and reduce industry influence on regulation.”

We see disturbing health trends in the news.

USA Today, front page April 11, 2011:

http://www.usatoday.com/NEWS/usaedition/2011-04-11-1Apuberty11_CV_U.htm

- Many American girls are hitting puberty at age 7 and the rate of early breast development has more than doubled since 1997.
- “Researchers don't completely understand why ... but most agree that several forces are at work, from obesity to hormone-like environmental chemicals.”

And here’s a sign that these concerns have really hit the mainstream.

Glamour magazine, April 2011:

<http://notjustaprettyface.org/blog/are-chemicals-making-us-fat-sick-and-infertile>

- New Toxic Threats to Women’s Health: “If you’ve read the news lately you’ve probably stumbled across headlines about the health risks posed by chemicals in your sports bottle, personal care products or food containers... just how concerned should we be? Very say 13 prominent experts interviewed by Glamour. “
- The article continues with subheads (in true Glamour style): “Are Chemicals Making us Fat? Are Chemicals Making us Sick? Are Chemicals Making us Infertile?” with quotes from MDs and PhDs saying that this may indeed be the case.

All of this attention – warnings from the science community, widespread media coverage -- is creating an emerging new human being that I call the New Conscious Consumer.

Are you ready for the New Conscious Consumer?

According to EcoFocus Worldwide survey of 4,000 Americans in 2010:

Eco Aware Moms are:

- 69% of moms
- Have \$1.45 trillion in buying power
- Survey data offers a “powerful new archetype” of the 21st century consumer

<http://ecofocusworldwide.com/?p=860>

Eco Aware Teens – watch out for these folks, they are deeply educated, tech savvy and ready to take action in ways that give me a lot of hope for the future.

I’ve worked with many of these teens, I’ve talked with thousands of women over the years who fit this emerging archetype, and I want to talk about three characteristics of the New Conscious Consumer.

1: “Sustainability” Means “Health” To Conscious Consumers

When these consumers think about “green” or “sustainable” products, they are not thinking about packaging, carbon footprint or many other “sustainability” topics the big companies are focusing on, they are thinking primarily about health – about breast cancer risk, fertility and healthy children. They are thinking about the environment of their homes and their bodies.

- Deloitte 2011 survey: #1 concern for consumers for household products: Safety
 - Personal Care Products 57%
 - Cleaners/detergents 56%
 - http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Consumer%20Business/us_cp_2011foodsafetysurvey_041511.pdf
- Packaged Facts 2009 survey: Rapid growth in naturals market is due to “consumer reaction to concerns about the health and safety of chemicals used.”
 - <http://www.cosmeticsdesign.com/Market-Trends/Green-personal-care-market-set-to-experience-rapid-growth-Mintel>
- Mintel 2009 survey:
 - Sales of Green Personal Care Products increased 18% between 2006-2008
 - Recent growth still positive despite economic downturn while other segments declined
 - Sales growth expected to outperform market for conventional personal care products
 - Lack of consistent standards “can only undermine the appeal of the segment.” Clear definition of “natural” and “organic” personal care products would help to ensure long term future of this industry.
 - <http://www.cosmeticsdesign.com/Market-Trends/Green-personal-care-market-set-to-experience-rapid-growth-Mintel>

2: New Conscious Consumers Are Information Seekers

These consumers are actively researching information about products rather than being passive observers of the ad strategies that worked so well in the past. The tools to help these consumers make green choices are getting ever more sophisticated and available.

- EWG's Skin Deep database ranks more than 65,000 cosmetic products using the best available science from government and academic sources about chemical hazards.
- Skin Deep is currently getting about 1 million searches per month; many consumers are using it to make choices about which products to buy.
- This trend will only continue as many new tools on the horizon will make savvy shopping even easier and more convenient for consumers at the point of sale.

3: Commitment to Health Runs Deep For The New Conscious Consumer

For these companies, "sustainability" is about more than choosing a green version of a product; it's about wanting to see their values represented in the companies they support.

Recent New York Times story got it wrong with their thesis that green consumers are fickle in the economic downturn – this doesn't hold true for the New Conscious Consumer:

- Story titled, "As Consumers Cut Spending, 'Green' Products Lose Allure." After initial excitement and huge marketing effort, sales are falling for Clorox Greenworks, and this is true for green products of other "big blue chip companies that have tried to layer a green offering on top of their conventional offering."
- Article also noted: market share for independent brands, like Method and Seventh Generation, is increasing relative to the traditional brands' products in categories where they compete.

This makes perfect sense when you view it in the context of the New Conscious consumer: it's telling us that the "One Green Brand" strategy of the big corporations isn't working for conscious consumers. For these consumers, it's about trust.

As Molly Arthur, a mom of four and grandmother of three, told me: "Hey I looked at Greenworks, I was excited about Clorox getting into the green space and so I looked into it, but in the end I decided that I just don't have a lot of trust in Clorox."

I share this not to pick on Clorox, I'm glad they are putting their resources behind green values, but I think this story points out the challenge for the industry: How are you going to gain the trust of conscious consumers?

These consumers are not just choosing a few green products, they are on a deeper journey. I've talked to many women and men who are on this journey and here's how I would describe it: first they realize they can't trust what companies are telling them about product safety and that they have to educate

themselves, then they see that the government isn't protecting them the way they thought it was and realize that needs to be changed, then they decide they need to share what they've learned with their peers, families and communities. They're launching websites, writing blogs, changing college majors, organizing community projects, starting businesses. This is the start of a groundswell.

There are so many of these inspiring stories in the room today, and I want to end by sharing one story about someone who demonstrates the passion and commitment of the New Conscious Consumer.

Uyen Nguyen is a former chemistry major who worked in the semi conductor business for 10 years. Her moment of awakening came when her sister-in-law, who worked in nail salons for 15 years, lost a baby in the eighth month of pregnancy. They came to believe that the loss of the baby was due to toxic exposures on the job, particularly from working with acrylic nails.

Uyen decided to open Isabella Nail Bar in Oakland, Calif. – a green salon that would not use products with acetone or other toxins, and would not offer acrylic nail services. Everyone said Uyen would fail. They said she couldn't have a successful nail salon without acrylics; nobody would come.

But guess what, on most days, a line of customers is waiting outside the door of Isabella Nail Bar, even though prices are higher than competitors, and Uyen will soon be opening a second shop in San Francisco.

This is the New Conscious Consumer – Uyen Nguyen and her customers waiting in line outside the door. They are Molly Arthur and her children and grandchildren and 51 million Eco Aware Moms – and their numbers are growing every day.

What are you doing to earn their trust?

Lastly, I want to say thank you to all the New Conscious Businesses out there. There are many of you in the room who have been blazing the trail for healthy personal care products for many years, showing it can be done, proving it's possible to make non-toxic products that are as good or better than conventional brands.

You are changing the beauty industry, you have brought the industry a long way, and there's a lot of work still to be done. Thank you to everyone in the room who has taken the time to be at this conference for two days. You are on the front lines of this important work.

I want to close with a question that I promised my new friend Richard I would ask you all. Richard is a perfect example of the new consciousness. He is the former head lawyer for the asbestos industry. His moment of awakening came when his grandson was diagnosed with cancer at the age of 2. Richard is now a full-time philanthropist, devoting himself to pediatric cancer research. Like many people, Richard is asking the question, "Why are so many kids getting cancer?" The question led him to research the links between chemical exposures and cancer.

He wanted me to ask you: How many of you are going to take what you learned here at the Sustainable Cosmetics Summit to your CEOs or decision makers of your companies? Raise your hands if you will

commit to do that, or if you are the decision maker of your company. I ask you all to make the commitment to bring the decision makers into the conversation about sustainable cosmetics and about the work that needs to be done.

We hope you'll join us: www.SafeCosmetics.org/business.

Thank you.

Also see my afternoon talk at the Sustainable Cosmetics Summit, **Shifting Paradigms: Science, Policy and Consumer Preferences**