



- What is it, this *wellness*?
- Should my brand get some?
- Will it command a price premium?
- Is it relevant as recession deepens?

Neal Cavalier-Smith, Managing Director of specialist healthy-brand innovation consultancy *The Healthy Marketing Team* examines the growing trend towards “wellness” and asks what your brand must do to stay relevant as consumers cut back...



Written for *Brand Strategy Magazine*



Not many years ago, ‘*wellness*’ was just for sandal wearing vegan hippies. Lately everyone is getting in on the act: *wellness* tea, *wellness* spas, *wellness* cereal bars, even *wellness* pet-food. But why?

### Is now the time for your brand to take a stand? ... and if so, how?

In Western societies we increasingly look for food to take a role greater than sustenance, but rather to help us lead fulfilled lives.

### Healthy-me, healthy planet

Wellness means body-*and*-mind. So there is an ethical dimension to it too.

Our *body* doesn’t care if fruit oppresses workers or destroys the rainforest, but brands like *Innocent* have found a price-premium by assuring us “we don’t crush any of these” (workers).

Increasingly, ‘health’ is going hand in hand with ‘ethical’ and consumers are willing to pay for “healthy-me, healthy planet”: According to HealthFocus International the percentage of UK main shoppers agreeing that environmental issues impact food selection has risen from 31% in 2003 to 67% in 2008.

### The activist consumer is upon us

Consumers have lost faith in the ability of organisations to make a difference (just 26%), but 60% believe *they* know how to do their part.

The ‘activist’ consumer is upon us. Even mainstream brands like UK tea

*PG Tips* recognise this in their “Do a little bit” campaign highlighting Rainforest Alliance credentials. How to do your bit? “Just keep drinking the delicious brew”.

Not just the ingredient-list, but now the entire value chain from field to mouth is coming under the critical

gaze of consumers, who have begun “*shopping for change*” in the supermarket...

### ...And on the High Street

Did you notice McDonald’s in Europe literally going “green”?



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WEEKEND BUSINESS

### For McDonald's, a European redesign starts to pay off

By Julia Werdigler

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Consumers have noticed: apart from changing the famous red of their store fronts to dark green; and re-fitting their interiors to look less artificial, McDonald’s have switched to organic milk, and Rainforest Alliance certified coffee.

These changes contributed in the first six months to sales-growth of 15% in a declining category – compared to 6% for their US chains. Growth which looks set to continue as the recession plays to their strengths of reassuring consistency and economy pricing.

### Never mind ‘Wellness’, what about good old-fashioned ‘Health’?

In the 2008 HealthFocus Global Consumer survey of 18 countries, the single biggest health concern (47% of consumers) was “Accumulation of toxins in my body”.

Concern about life-threatening issues (Heart health, Cancer etc.) is declining, whereas lifestyle and short-term concerns such as stress, tiredness and allergies are on the rise.

Also in demand are ‘low-in’ and ‘no-bads’ labelling – fears over additives and chemicals are now mainstream.

We can see this trend acted out in UK yoghurt brand Müller's recent campaign for Little Stars, vs Petit Filou: "Listen Mums... Müller has only seven ingredients, and none of those are E-numbers... but Petit Filou has 15".

Old-health is not dead but is becoming a *must-have*, a "Hygiene factor". Except for a small group of consumers with health issues (Diabetes, Cholesterol, etc.), consumers are reaching Maslow's 'self-actualising' dimension of 'wellness'.

**So, does all food have to go Organic now?**

No. Organic is a complex feature of the wellness trend – driven by multiple dimensions: *safe* (a base level need), *premium* (higher need) and *ethical* (highest need).

To retain trust, it may be enough for everyday brands to reassure on *safety* (100% natural, no additives).

In December 2008 we saw Nestle add large on-pack reassurances and take full page brand-ads in the national press.

Masterfoods were there a month earlier with "Constantly raising the bar" – another full-page campaign which majored on the ingredient dimension and minored on ethical concerns such as Fair Trade and not advertising to youngsters.



TWIX: No artificial colours, flavours or preservatives

Both companies would struggle to use only organic ingredients - and arguably their target consumer would not be responsive to the additional ethical dimension – they are more likely among the 47% of consumers seeking reassurance on safety from "toxins".



Masterfoods: Raising the Bar 10/08

For this reason, as the recession deepens and spending habits are constrained we may see **mass-consumers being less motivated by the shorthand which is "organic"** and refocusing on purity and minimal processing.

**Tough times – tough questions:**

But the questions on every Marketing Manager's mind must be "Is this the right time to jump on the Wellness bandwagon? And if so, how?"

Top brands have long been adding value with innovation (and especially with added health-giving ingredients).

*Are we reaching a time when the consumer neither wants us to add value, nor ingredients – but just wants us to cut our prices?*

Global retail giant Tesco seems to feel that way. In the UK they've responded with discounts on staple purchases "for customers who want to spend less on the basics to have more for special treats and can enjoy a proper family dinner at bargain prices."

Peter Wennström, (Author of the *Food and Health Marketing Handbook*, and *Four Factors for Brand Success*) speaking at the *World Food Technology and Ingredient Forum* in Rotterdam, Dec 2008 said,

"Brands which are active and take you by the hand and say, 'yes it's a tough world out there, let's face it together' will be the ones left standing when the dust settles".

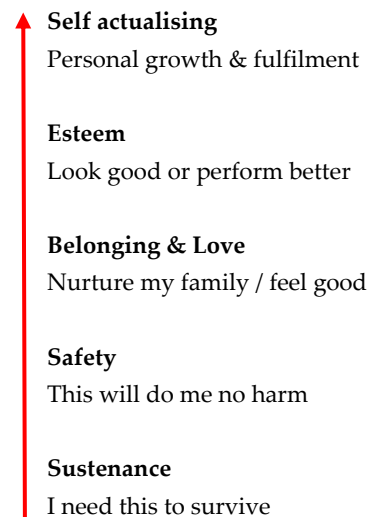


Peter Wennström

**So is price-cutting the way forward for all of us?**

The answer depends on your psychological contract with your consumer. In other words, on where your brand is positioned on the Maslow hierarchy. Imagine what would happen to super-premium smoothie brand *Innocent* if they cut their ethical stance in favour of cheaper ingredients? Or to UK natural breakfast brand *Dorset Cereals* if it transpired they put artificial flavourings in to offer a lower price point?

Maslow's Hierarchy: Food Dimension



Price-cutting could be the right strategy for Tesco. Their customers can actualise their family nutrition better with lower prices on everyday items – and Tesco has created a Brand Architecture to serve value alongside premium.

But it's clearly not for everyone. For you – the question is what part is your brand taking in the consumer's 'self-actualising' life?



Sam Waterfall

The lesson, in good times as well as in bad, is to be clear and true to what you stand for: Sam Waterfall, Senior Consultant and Brand Strategist at the Healthy Marketing Team puts it like this

*"The big brands that will weather the storm are those which are built on, and stay true to, a central big brand idea".*

The key is to recognise that, as recession deepens, your consumer will not change her fundamental standpoint, she will simply narrow her scope.

She'll make compromises which fit her value set, ("charity begins at home"), but if YOUR BRAND neglects its values she will feel betrayed, and you will lose her loyalty.

Worse still, you will not get it back when the good times roll.

For every A-brand this means a responsibility to continue the quality, and innovation which made you an A-brand. A challenger brand must continue to challenge and a values-based brand must respect its values...

### **Above all, stay relevant!**

We've seen an explosion in ethical allegiances; Organic, Fair Trade, Volvic 1L=10L in Africa, Pampers 1 pack=1

Vaccine, even 1 chocolate bar = 1 tree and in France "Milk for Solidarity with small farmers".

In the case of Volvic, it's smart to add ethical to a category already at the top of the health pyramid, and for Pampers it's inspired to balance the environmental guilt of disposable nappies with an ethical dimension. But as consumer-focus narrows which will be the relevant wellness innovations for your brand and category?

**The answer** is to look back to the Maslow you learned in marketing school. If your brand is delivering self-actualisation then, you need to deliver 'wellness' at the ethical level, whereas a more everyday functional brand can deliver its versions of 'wellness' at a safety (additives, pesticides) level. Just be sure what your brand stands for in consumer's minds and be true to it...

*"In tough time, the biggest risk for a brand is to become irrelevant"*



Simon Black

Group Strategy Partner, Design Bridge

Apple lovers are forgiving the brand for launching an expensive and unreliable iPhone because phone calls are not the core equity of the brand – it delivers on the core dimensions of innovation, design and trendy technology.

Apple would not have been rewarded for launching a boring but functional telephone.

### **In summary**

UK consumers are moving ever higher up the Maslow Hierarchy and if your brand goes beyond the functional, to self-actualisation, then 'wellness' – including the ethical dimension must be an integral part of your values – *not* a communication add-on.

In tough times, **you are vulnerable if your consumer can't see what you stand for** – consolidate your message and do nothing irrelevant to it, or too far from home.

In a recession, it is even harder for a consumer to self-actualise - if they recognise your support, innovation and inspiration in the hard times, you'll enjoy their good-time loyalty too.

If you fail to live up to your own values, then your value to the consumer is destroyed – and sadly it's often for good.

2009's turbulent economy presents a real opportunity for strong brands. Brands which are prepared to take a focused position and connect emotionally can stand out from the crowd. They should take note, take advantage and take charge.

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