

WHY LESS IS MORE

by Jackie Delise

The new conscious consumer calls for simplicity from brands and retailers in every form.

I am fascinated by James Lovelock's Gaia hypothesis, which says that the Earth exists as a cohesive, living organism. To me, the theory explains that we are all inter-connected—that individual actions have a direct correlation to the whole.

That very idea is beginning to permeate consumer culture, resulting in growing numbers of eco-conscious people who are trying to consume less to preserve the living Earth. They believe they can become individual stewards of the environment and make meaningful contributions by taking small steps on the collective eco-march forward.

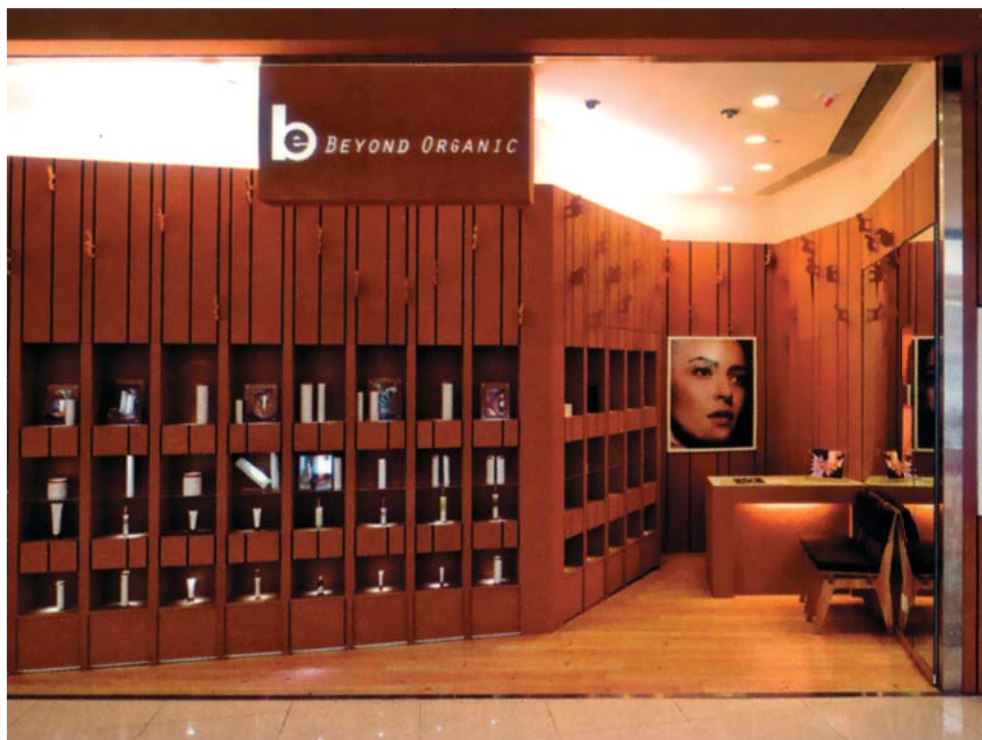
While this is diametrically opposed to what—until recently—had (de)evolved to become our generations' cultures' raison d'être (consumption at all costs!), the sheer

notion of buying less, consuming less and doing good for the collective whole is gaining steam.

Whether it's a mindful effort to contribute to the greater good or, as some believe, the result of an uncertain economy, conscious consumerism is, clearly, more than a trend, with the cultural shift playing out among retailers and brands that are developing sustainability missions and imbuing them into their core.

> FEWER, BUT MORE CONSIDERED, CHOICES

Simply stocking shelves with more green products is not enough. The real challenge lies in adapting to the ethos of the new conscious consumer, who is working to consume less, while remaining a profitable business entity.



Streamlining redundant and/or marginal SKUs is but one area to consider. Retail product selection, including larger count packaging to compete with the Big Box store formats, began to increase in the 1990s. By 2008, a typical grocery store included nearly 47,000 products. New products were also being introduced at a rapid clip. Last year alone, 47,113 new products were launched—that's more than twice as many launched in the previous 10 years.

Such proliferation of SKUs has largely been explained as the result of brands looking to garner more shelf space and retailers hoping >

> Simplified retail offerings reflect a growing understanding that the number of products on the shelf doesn't necessarily correlate with the number of shopper purchases.

> Wal-mart's Neighborhood Market means shorter shopping trips for conscious consumer. There are currently around 153 Neighborhood Markets in the United States, each about 42,000sq. ft.



to have something for every shopper walking through their doors. But that's beginning to change, as both groups come to terms with the fact that the number of products on a shelf do not necessarily correlate to the number of purchases a consumer makes.

Walgreens has reported that it's cutting the types of superglues it carries from 25 down to 11. Wal-Mart is reducing the 24 tape measures it carries down to a more reasonable four. Kroger has tested getting rid of 30 percent of its cereal varieties. In the coming months, experts say large retailers will continue to rethink the assortment of product in store and reduce them by at least 15 percent.

Critics say these shelf simplification strategies are a tactic for retailers to make way for their own brands. Consider that Wal-Mart just relaunched its revamped Great Value brand with nearly 5,000 items, and Target announced it's relaunching one of its own brands as "up & up," adding 100 + items to the lineup.

Nonetheless, CPG companies are also taking a closer look and simplifying their brand offerings. Kraft and P&G both recently reported renewed emphasis on supporting the core brands in their burgeoning portfolios; other manufacturers say they are streamlining flavors and varieties. For instance, Church & Dwight (maker of Arm & Hammer baking soda and Aim toothpaste) has reduced its number of new product offerings this year from 50 to 25, while Sara Lee, which had 25 varieties of Jimmy Dean breakfast sandwiches, has now reduced the Jimmy Dean brand offering to 14.

Surely, SKU proliferation reveals a need for more discipline in the innovation vetting process that, when brands give more careful consideration to whether the world needs a new size or flavor and retailers dig more deeply to understand their core shoppers, could very well result in greater loyalty from the growing ranks of conscious consumers.

> LESS IS MORE IN SMALLER FORMATS

Smaller store formats rolling out from the likes of Wal-Mart, Safeway and the UK's Tesco can also find relevance with the conscious consumer. Like the local markets of the past, these "neighborhood formats" mean shorter shopping trips for those who are limiting their driving to be more green. Smaller

packaging sizes typically found in these concepts can fill a need for the conscious consumer who is concerned about food waste. Also, local product offerings and, in the case of Starbucks' new 15th Avenue E concept, locally sourced store design elements, make impact because they reflect local character.

Such measures have an incredible opportunity to make an emotional connection with conscious consumers and their "less is more" mindset—first by earning their attention and then by helping them rethink their choices and make more purposeful decisions about what they buy.

Of course, this means there'll be tougher competition at the shelf and, as a result, more pressure on packaging to perform than ever before. Brand owners will have to consider how graphics and structure play in these new shelf sets and in these streamlined environments.

Messaging will also take on new significance, with the increasing need to educate shoppers in-store and on-pack; to tell a story; to trace a product's origins; and to eliminate confusion over the plethora of seals, certifications and visual clutter.

In this new age, there is a higher accountability for all of us. No one is immune from doing their part. The ante is going up, as we learn how to balance practicality with ideology (let consumers guide the process here) while maintaining margins.

There needs to be a willingness to embrace changing consumer habits, new methodologies and to layer simplicity into brand offerings by committing investments in more talent, time and resources.

Change could take forever, so let's start now. Why wait? **BP**

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