

What every green business needs to know about their market.

Put your hand up if you know what LOHAS means and how it applies to your business.

LOHAS is an acronym for 'Lifestyles Of Health And Sustainability' - a recognised and rapidly growing market segment in North America, Western Europe, Japan and Australia. It is used to describe a type of consumer who cares deeply about the environment, health, sustainability and social justice. Sound familiar?

Also known as 'Lohasians', 'cultural creatives', 'conscious consumers' and 'solution seekers', LOHAS represents the marketplace for the goods and services sought by these consumers.

A study in 2004 estimated that consumers with strong LOHAS values accounted for 27% of the US adult population (around 55 million people). An expanding market, its yearly value in the US alone is reckoned to be worth US\$280 billion. Worldwide market value - over US\$540 billion.

These are huge figures, but what does it mean for Australia?

LOHAS is still gaining currency in Australia. However, a 2007 report by Mobium Group titled 'Living LOHAS' has shed some welcome light on the Australian marketplace.

Australian consumers currently spend \$12 billion dollars on goods and services in the LOHAS market segment. The overall growth rate of 20% is expected to continue and current trends project the market reaching \$21 billion dollars by 2010.

With nearly 4 million Australians (26% of the adult population) LOHAS aligned, this is no niche market. LOHAS is a bona fide mainstream marketing segment.

Accordingly, there are six key market elements:

1. Food & Nutrition – eg. organic and natural food, vitamin supplements
2. Mind & Body – eg. yoga, meditation, personal development
3. Home Life – eg. natural cleaning products, energy efficient appliances
4. Buildings and Energy – eg. water tanks, solar hot water, 'green' energy
5. Transport & Leisure – eg. low impact commuting, eco-tourism
6. Work & Money – eg. socially responsible investing, recycled paper

The 'Living LOHAS' report divides 'Lohasians' into four main segments. 8% of the population are LOHAS 'Leaders', who are highly committed and active participants in fully integrated healthier more sustainable lives to whom many green minded businesses have traditionally catered to.

However, it's the LOHAS 'Learners', who, at 46%, represent the most significant opportunities for the environmentally aware business. This group is open to Lohasian values - for the most part it appears too difficult.

So how do I reach these Lohasians, I hear you ask?

Good question. One thing studies have found is that purchasers are not governed solely by price. Conscious consumers will consider more expensive products that fit in with their values.

Furthermore, according to the report, 80% of Australians find 'environmental issues complex'. With this in mind, the effective communication of your business values and philosophy is crucial.

From a marketing perspective, the fundamentals still apply. Study your market and determine exactly what your potential customers want. Then give it to them. And make sure your marketing and advertising material speaks directly to them.

Significantly for green business marketers and managers, in a poll taken in 2007, nearly 60% of Australians could not think of a 'brand or organisation with a strong reputation for operating in an environmentally friendly, sustainable or ethical manner'. Clearly, there are significant opportunities for companies to capture consumer awareness.

And finally (and excitingly!) keep improving your sustainability and green practices. For green business, the bar will continue rise - potentially leading to a more eco-friendly and sustainable economy.

Sources: 1. NMI - Understanding the LOCAS Consumer 2. LOHAS Journal Online 3. LOHAS Journal Fact-book Edition V5, 4. 'Living LOHAS' Report, Mobium Group, 2007.

Article submitted by:

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Leigh believes that working alongside like-minded people provides inspiration for both parties.

"As a 'green' business, you're at the cutting edge of a market that represents around 26% of Australia's adult population. Understanding and reaching that customer is crucial to your business success."

"The way I like to think about your marketing material - it's a first impression. And if you don't pique interest with your first attempt, you won't get a second chance. Effectively, you're turning away customers."

Leigh works alongside environmentally aware businesses every day - to improve their marketing, communications and strategy.

Leigh's memorable quote:

"Before you speak, ask yourself: is it kind, is it necessary, is it true, does it improve on the silence".

Shirdi Sai Baba
Indian Yogi (1838 – 1918)

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Re:LOHAS

Posted by eco friendly - 2009/02/17 05:08

Hi there,

I would like to know what is the percentage of LOHAIANS LEARNER.
Can you help me in that?

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