

The following ten trends are currently among the most pressing in the minds of Awakening Consumers. We will be highlighting the topics that we think will have the greatest impact on Awakening Consumers in the coming months.

### 1. Global Warming

Yes, there may be an un-awakened few who still want to cling to the idea that global warming is a liberal scare tactic, but it's hard to deny the reality of the scientific quandary we are in. Here are a few examples of what the experts are saying:

"Agriculture faces serious decline from global warming." (Center for Global Development report, 9/13/07)

"Climate change impacts will place immense strains on public sector budgets." (University of Maryland study, 10/16/07)

"If you don't take action on climate change, you can be sure that our economies will go down the drain in the next 30 years." (Former U.S. Federal Reserve Chairman Paul Volcker)

"Global warming threatens roads, rail lines, ports, airports and other important infrastructure." (National Research Council, National Academy of Sciences, 3/12/08)

"Climate change poses a serious threat, causing widespread political instability. The U.S. may be drawn more frequently into these situations." (Center for Naval Analysis report, 4/16/07)

U.S. oil imports will be \$20 billion higher each year without action to cap greenhouse gas pollution. (Massachusetts Institute of Technology analysis, 2/25/08)

Business and government are responding and taking action. We've seen U.S. multinational companies join the Chicago Climate Exchange and commit to voluntary carbon reductions, state and local governments enact sweeping legislation to cap carbon emissions and individual consumers purchase an increasing number of higher gas mileage vehicles and eco-friendly products.

### 2. Carbon

The recent release of the Lieberman-Warner Climate Bill is fodder for the U.S. carbon-counters. According to the EPA review, the bill would result in U.S. greenhouse gas emissions being 11% and 25% lower than 1990 levels in 2030 and 2050, respectively. On the costs of mitigation, they find that the actions under the bill would reduce annual GDP by 0.9-2.4% from 2010-2050. This bill is far from perfect, and there speculation continues about its viability, but the fact is that we have a significant piece of legislation moving through Congress that will significantly effect both business and consumer behavior. Carbon is the currency of climate change, and it will continue to be on the mind of today's Awakening Consumers.

### 3. Certification

Over the past ten years we have seen a sharp increase in the number of third party certifications, labels and logos designed to help consumers wade through the various environmental and production claims made by marketers. In general, certification has been a force for good. As Rafael Goldberg, CEO of the Fair Trade organization, Interrupcion told us, "the future is full of opportunity and chances for new benchmarks and new ways to measure and to communicate social, environmental and economic value as it is integrated into any given supply chain."

There is also a dark side to certification—charlatans taking advantage, issuing certification with very low thresholds and being less than forthright about their criteria. For example, the average consumer will not likely distinguish between the stricter Forest Stewardship Council (FSC) certification and the highly criticized industry-backed Sustainable Forestry Initiative (SFI) certification. With so many certification systems out there, people are getting confused and overwhelmed.

As Awakening Consumers seek out new ways to make informed decisions, cleaning up certification will be front and center.

#### 4. “Green” Consumer Backlash

Five years ago, it seemed highly improbable that the phrase “green” would take off to such grand heights. There has, of course, been a growing cry of “enough already,” and yet, according to our most recent survey, 85% of Awakening Consumers said that green and socially responsible business is here to stay. But consumers are asking for more and more authenticity when it comes to the businesses they choose to support. Marketers will find success when they go beyond “green” and enter the larger Awake Space, encompassing the social aspects of business such as labor practices and community development. By exploring this space, we think one will find a deeper and more sophisticated way of communicating the authenticity of a service or product.

#### 5. Government Regulation is Coming

All of the current presidential candidates have regulatory plans for energy and other carbon emitting industries. The candidates all agree on a cap-and-trade program that will use market mechanisms to establish a price for carbon that will tighten over time to dramatically reduce emissions and provide a long-term business incentive to develop cleaner energy technology. Tufts economist Gilbert Metcalf commented that “the proposals of the presidential candidates are more similar than not, and the general election winner can expect a Congress ready to enact climate legislation.”

#### 6. FTC Crackdown on Greenwashing

In January, the Federal Trade Commission began a regulatory review of its environmental marketing guidelines (the Green Guidelines), which have not been updated since 1998. The current comment period has given voice to a lot of dissatisfied organizations and sustainable businesses trying to combat greenwashing. No doubt, this new set of guidelines will be far stricter, and savvy to the greenwashing antics of past claimants. In fact, the FTC fast-tracked this review from 2009 to 2008 in reaction to the current consumer market.

#### 7. The Recession

It’s a standard scenario in the advertising industry—in a bad economy, ad budgets are usually the first to get cut. Bucking the trend are a few stalwart players who maintain their advertising and brand messaging, even if it’s a bit painful to do. When things improve, those that cut have to play catch-up, while those that maintained their message throughout the hard times can quickly jump ahead and hit the ground running. The same is true when it comes to greening your business. As the economy takes a downturn, we may have an initial reaction to stop our green initiatives and branding, but what we’ll find is that when times change, and government regulation comes in, we’ll be in a very unhappy and vulnerable place. When asked if they thought that the recession would kill the green movement, 99.5% of Awakening Consumers believed that green would prevail.

#### 8. The Wal-Mart Effect

What happens when you are a supplier to the largest retailer in the world, and it decides to go green? You go green, too. You change your production processes to fit their new mandates, and in the process create your own new efficiencies and green standards. The Bentonville, AK retailer, once vilified as the antithesis of sustainability, has undertaken a company-wide green-a-thon and brought their suppliers along for the ride (whether they wanted to or not). Nowadays, 20% of a supplier’s Wal-Mart report card will be based on sustainability, and if the CFL campaign is any indication of future demands (Wal-Mart set a goal

of 100 million CFLs sold in 2007, and far exceeded their goal), there will be a huge demand for green goods.

This is great news for many, but brings about its own supply-chain management issues. As the big boys come out to play, there will be far more pressure put on the global supply of green goods. Manufacturing plants that can rise to the demand will prosper, and as green supplies increase and prices are driven down, consumers can expect to see more cost-competitive products on retail shelves of all kinds.

## 9. Oil and Food Shortage

There is a major problem brewing in the oil industry. Oil is not a renewable resource, and the stats are telling us that we are using too much. According to the International Energy Agency, by mid-century we will have a population growth of 50%, the number of cars and trucks on the road will double to two billion, and we will have twice as many jets crisscrossing the skies. This will demand a 35% increase in global oil consumption, which experts are having a hard time ensuring us will be there. Our survey respondents agree—66% think that Peak Oil will hit before we have developed any reasonable fuel alternative.

Biofuels were proclaimed to be the answer to Peak Oil. However, what has become all too apparent is that the food-for-fuel conundrum is a dangerous situation. Ethanol is causing corn shortages and pushing prices sky high. By diverting grain and oilseed crops from dinner plates to fuel tanks, biofuels are jacking up world food prices and endangering the hungry. We have already seen tortilla wars in Mexico City and flour riots in Pakistan. Biofuels were a nice idea, but reality is setting in. Solving the oil and food issue will have to be a major focus of attention and action.

## 10. Once You Go Green, You Can't Go Back

Take a moment and think back to a time when you didn't recycle, when you frequented McDonald's, and didn't think twice about filling up at the gas station. Now try to think about going back to those old habits. If you're anything like me, you can't. You physically can't do it. You know too much. Sustainable habits have crept up on you and sunk in too deep. Everyone is at a different stage of sustainable indoctrination, but it's just not something you stop after you start. You don't go back to sleep after you wake up. You may think that you want to rebel against the awakening trend, but our hunch is that it's just not going to happen.