

**By BRR Principal, Brian Richards – 19 December 2007**

# 'Consumanism'

**BRIAN R RICHARDS LTD** LEVEL 2, 6 LEEK STREET  
NEWMARKET, AUCKLAND 1023, NEW ZEALAND

**PHN** +64 9 520 0014 **EML** brand@brrltd.com

**FAX** +64 9 522 2709 **WEB** www.brrltd.com

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## SELLING LESS FOR MORE

*The following is an extract from the opening speech delivered by Brian Richards to the Primary Industries 2020 Summit on 28 November 2007.*

**Many New Zealanders still think that our wealth comes from the pasture or off the hoof, rather than between the ears.**

New Zealand's economic position has been gradually sliding back since the 60s as third world nations increasingly trade in our type of commodities. Our response is to throw on more fertiliser, merge more meatworks, bundle more people onto the Milford Track. Just more of the same for less revenue. Running faster and faster to maintain our position. We are obsessed with process improvement, as opposed to product improvement.

There is no more land to mine. In some parts of New Zealand, we have mined too much already and our precious topsoil is disappearing out to sea for want of wiser uses. Now, for the first time in our history as an abundant nation, we have to learn how to sell less for more.

It will depend on our science, our technology, and whether we have the capacity to turn these ideas into wealth-generating products and services. We have magnificent natural resources. In Japanese terms, they consider us rich.

**New Zealand's market anywhere in the world is undoubtedly 'Masstige'. That 'sweet spot' somewhere between prestige and mass market.**

Selling less for more means looking at the business you are in an entirely different way. Scientists currently don't fit with business comfortably. Designers are often considered to be at the fringe and costly. We need to breed a flock of entrepreneurial engineers as well as scientists.

In short, we need \$20-\$30 billion of new exports to foot it in the developed world. How much is possible from the primary sector? When you consider that a one-dollar pot of yoghurt contains approximately 3 cents of milk powder, we begin to understand perhaps where the growth could be – essentially in owning the brand, the intellectual IP. Why leave such a margin to the French or Swiss?

Is a fast, convenience healthy food chain owned by us possible in North America? A line-up of global ice cream parlours with a new twist perhaps? We do have all the ingredients. It's a question of mindset.

**New Zealand's creative class has jumped from 18.7% to 27.1% since 1991. Yet it has still not made a sufficient dent in what is New Zealand's biggest sector, primary industry.** At its core are the scientists, engineers, architects, designers, educators, artists,

musicians and entertainers, whose economic function is to create new ideas, new technology, or new content. What could such talents do in adding value to food, fibre and forestry?

Food prices around the world are rising, and although some commodity price increases could be cyclical highs, many commentators believe that higher prices are here to stay. This has led to predictions that for the first time since the 1950s, a generation of householders may have to spend a much larger proportion of income on food than their parents or grandparents.

This means the price of food, relative to average income, is heading for levels that have not been seen since the early 19th century and will not come down again in our lifetime. The reason is the growing cost of production and compliance with ethical standards of farming and human health.

I am convinced New Zealanders don't understand the definition of sustainability and the economic and social opportunities it could bring us all. There are some people who regard the green movement as a throwback to the 1960s, but today's green movement is different in several ways. It includes consumers of all political leanings, and it is not about compromise and self-sacrifice. You can love Prada and nature at the same time.

**Central to the incredible rise of eco-living is the rise of ethical consumption. "Consumanism" is increasingly influencing purchasing decisions and consumers have no qualms about punishing companies that don't fit within an ethical framework.**

The world's increasing dislocation with nature is our very advantage. If you're a New Yorker or a Londoner coming off a grubby train at Grand Central or Kings Cross, we can capture you with our piece of paradise; be it a holiday, a glass of wine, green lipped mussels, or adventure clothing.

We are on the brink of seeing green products move from niche to mainstream. The affluence of global society is intimately linked with this new trend and represents the finest opportunity Aotearoa New Zealand has ever had in its entire history.

The key message for us is to keep it simple, be open and consistent and create trust. That way we can generate great authority and patronage from a world looking for more honest answers.