

The *Lifestyles of Health and Sustainability* Market Segment

(extracts from *The Social and Economic Impact of the Whanagrei Growers Market*)

Estimates of the proportion of populations that fit the Lifestyles of Health and Sustainability (LOHAS) demographic vary from 13 to 19%¹ to 30%². The Branz report in New Zealand³ and the Living LOHAS report from Australia⁴ quantify the demographic as 26% of the population. According to the Branz report this market segment has an estimated global value of \$500 billion annually.

A recent U.S. report⁵ reveals continuing growth in LOHAS markets. For example:

- Between 2002 and 2011 the organic food market grew 238% compared to 33% for the overall food market.
- Projected sales for organic food in 2014 is \$US42 billion, growing to \$US78 billion in 2015.

What motivates LOHAS consumers? According to the Living LOHAS report (page 4):

LOHAS aligned consumers look behind products and services to an organisation's philosophy, practices, people and impact on the planet in assessing whether they should buy a given product or service. They probe for alignment of organisational intent. Authenticity of the offer is mandatory and the company is mandatory. LOHAS consumers want to know “where does it come?”, “how is it made?”, “what is it packaged in?” and “what will happen when I dispose of it?”.

LOHAS sub-segments

The LOHAS segment is diverse. Some will be motivated by economic, considerations, some by environmental considerations, others by social considerations, or a combination of these. The Green America report identifies six main segments:

- Fair Trade food

¹ LOHAS (2010) *About: Lohas background*. Retrieved from <http://www.lohas.com/about>

² Wikipedia (2013) *LOHAS* Retrieved from <http://en.wikipedia.org/wiki/LOHAS>

³ Branz (2006) *Sustainable foundations: Helping Kiwi builders run a sustainable and profitable business*. Retrieved from <http://www.branz.co.nz/sustainablefoundations/files/Background2.htm>

⁴ Mobium Group (2007) *Living LOHAS: Lifestyles of Health and Sustainability in Australia*. Retrieved from http://www.theage.com.au/ed_docs/LivingLOHAS2007Overview.pdf

⁵ Green America (2013) *Small business sustainability report, 2013: The big green opportunity for small business in the U.S.* Retrieved from <http://biggreenopportunity.org/wp-content/uploads/2013/05/Big-Green-Opportunity-Report-FINAL-WEB.pdf>

- organic food
- organic non-food
- social investing
- green building
- renewable energy.

Another relevant aspect of the LOHAS market is supporting the local economy.

Local foods

Locavores are people who prefer to eat local food, or food that is produced within a 100 mile (160km). For us in Northland that includes most of the region and a generous amount of seafood. Northland is a superb habitat for locavores, given that produce can be accessed from subtropical to deciduous fruits, a wide range of vegetables, seafood, meats and dairy products. Alisa Smith and J.B. MacKinnon's book *The 100 Mile Diet*,⁶ relates their story of their year-long attempt to eat foods grown within 100 miles of their apartment.

The brisk year-round trade in vegetable seedlings also supports customers' aspirations to eat local food.

The concept of local food is problematic for Northland, a region that relies heavily on exports of primary produce.

Supporting the local economy

Supporting the local economy is relevant to all three dimensions of sustainability, financial, environmental and social. There is a web of mutually reinforcing benefits derived from supporting the local economy. The market provides a direct link between growers and consumers, removing middle-men out of the supply chain. This has potential to reduce prices to the consumer and increase margins for the grower. More of the revenue is likely to remain in the region. Food producers live mainly in rural areas, and these can only be enhanced by increased employment opportunities and the circulation of cash.

⁶ Smith, A. & MacKinnon, J (2007). *The 100 mile diet: A year of local eating*. Canada: Random House