

When Will the Citizen Mind Go Shopping?

Automakers claim a responsibility to consumer mind reality, but they better pay close attention to the citizen mind that's emerging.

BY PAUL GILDING

Working in the day-to-day reality of corporations, simplistic assumptions that I developed outside get grayer. Discussing these issues with friends, you start sounding like a corporate apologist: “Well, it’s actually more complex than that.”

As a case in point, I was discussing this column with my wife Michelle and she said, “Tell the auto industry to make more efficient vehicles—we all know they could if they wanted.”

So let’s examine that. First, to declare interest and acknowledge an insider view: Ecos has worked with the auto industry in small interactions with Toyota, General Motors and Honda and, in a substantial way, with Ford.

The challenge is this: The auto industry’s main product—the car—is a major cause of climate change, creates most of America’s energy security problem and makes its cities unhealthy and unpleasant

lems. However, when it comes to fixing them, however, (and yes, Michelle, they could), they blame the customer. The challenge is that solutions involve internalizing externalities, i.e. the customer paying directly and short-term to fix problems that are costing them indirectly or long-term—health costs, military conflict, inefficient cities and climate change. And customers are not showing signs of wanting to pay.

So it’s the customers’ fault, right? Well, no. Toyota and Honda are significantly in front of U.S. companies. The hybrid Prius is an example—better mileage and lower emissions without compromising safety, fun or reliability. Subsidized by Toyota? No—a clever investment. Its brand is being positioned as “responsive to customer concerns” and “technologically advanced” while they shape the market to suit their technology.

But it is not easy for the American auto industry. Japanese

companies have home demand pushing them. U.S. companies have home demand saying they care about environmental impact, but with little effect on purchase decisions. This dilemma is a constant cry



of companies with which we work. “We can deliver solutions, but the customer won’t pay.” So where are the “green” consumers? Do they really exist?

We have two responses for companies that raise this argument.

Firstly, this is an emerging issue and it’s hard work. The opportunity is leadership, and it is a complex path to navigate. However, if you wait for customers to push you in a new direction, you’ll be the victim of the market, not the leader of it.

Secondly, think differently about the consumer. There is no “caring, sharing, green consumer” any more than there is an “environment destroying, forest munching, SUV consumer.” We all have a bit of both in us. It’s like different parts of our mind operate at different times. *Citizen mind* sits at home answering surveys about intent. *Consumer mind* goes shopping.

So can a company ignore these deeper concerns and just sell to *consumer mind*?

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(not to mention that it kills tens of thousands of people every year, but we’ll leave that for another column).

While they might not put it that bluntly, U.S. auto companies understand the prob-

Yes, if they only plan on staying in business for a year or two. If they have a longer view, they'll see *citizen mind* as an insight into the emerging future of *consumer mind*. They'll also see *citizen mind* as an insight into voters' likely influences. Over 80 percent of Americans think the auto industry should face tougher regulations on fuel economy. Ignore that at your peril, Detroit.

However, it is complex. *Consumer mind* does not send a consistent message. Why are Toyota and Honda increasing U.S. market share while Detroit is losing it? Not because they're committed environmentalists, which they're not. They're winning because they're responding to consumer mind reality, but listening to *citizen mind* emerging. They're producing bigger SUVs for the U.S. market while selling hybrids and making their whole fleet more efficient. They're playing to both sides of the purchaser's mind.

So the way forward for the U.S. auto

industry? Three guiding rules.

- ▶ **FIRST:** Ignore the coming change at your peril. The mass consumer might not yet be demanding change, but given the climate, science and consistent public environmental concern, the world is going to have dramatically more efficient vehicles before long. Are you sufficiently hedged for the risk of a discontinuous shift?
- ▶ **SECOND:** Stop blaming customers. They know what they want. Yeah, yeah, I know—they want it all, they want it now and they don't want to pay for it. Sound like your teenage children? Welcome to the customer of tomorrow. It's the market, stupid. They demand. You supply.
- ▶ **THIRD:** Shape the market. You say no to Kyoto and no to U.S. fuel economy regulation. What's your better idea?

Toyota's is hybrids. So stop whining and do something! Find out how to turn your customers' *citizen mind* on while they're shopping. Toyota and Honda are selling high-tech, fun cars that go fast, drive safe and reduce the conflict between the consumer and the citizen. Their market share's increasing. How's yours?

Or you could take a more measured strategy. Wait and see. Stand back and watch sea levels rise and then . . . maybe sell boats? Sounds like a dinosaur strategy. Hope you can swim. @



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