

# Patricia Aburdene

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Co-Author of the *New York Times* Bestseller MEGATRENDS 2000

# Megatrends 2010

THE RISE OF CONSCIOUS CAPITALISM

Seven New Trends That Will Transform  
How You Work, Live and Invest

Patricia Aburdene

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# Megatrends 2010

THE RISE OF CONSCIOUS CAPITALISM

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In her book, *Megatrends 2010: The Rise of Conscious Capitalism*, the author Patricia Aburdene interviews Elsie Maio for insight into the coming trends in branding. She references her comments and work on pages 110 through 113.

The excerpts follow.

### Because the inner world of ideals and beliefs shapes our actions

Well, the Values-driven Consumer illustrates exactly how values alter spending patterns, triggering a thriving market for whichever goods and services reflect those values.

If 16.5 million people practice yoga, there will be an uptick in sales of yoga mats.

If there are an estimated 70 to 80 million Evangelicals is it any wonder \$7 billion worth of Christian and Gospel albums was sold in 2004, according to *Billboard*.

If 10 million meditate, there's a market for meditation tapes.

If most Americans want more spirituality in their lives, is it any wonder that sales of spiritual and religious books hit \$2.24 billion?

Our values, those inner truths that dictate our actions, compel us to go the extra mile—or 50 miles—for organic cotton T-Shirts, wait months for a Toyota hybrid, put *The Purpose Driven Life* on international bestseller lists, demonstrate against Wal-Mart setting up shop the town over. Still many wonder: Where are the values in mainstream business?

### The Spiritual Power of Corporate Brands

If values are the hallmark of enlightened capitalism, how do the companies that espouse them broadcast their virtues and beckon discriminating consumers to the cash register? Often, it is through the power of brand—that precious, yet intangible asset that symbolizes what a corporation stands for.

More than a name, logo, or “iconic” CEO, a brand is a place in the heart where employees, investors, suppliers—and Conscious Consumers—meet to tell a company's story, says brand guru Elsie Maio. “When a brand reveals authenticity, values and humanity's drive toward consciousness, it's a powerful strategic advantage.”

That said, let's not underestimate the financial power of brands. The Coca Cola brand, for example, is worth \$67 billion, says Interbrand Valuation (all figures for 2004), which puts the value of Mercedes at \$21 billion; Dell, \$11 billion; Harley-Davidson, \$7 billion. Interbrand arrives at the valuation through an analysis of what the brand is likely to earn in the future, including projected sales and profit. Interbrand's “Global Brand Scoreboard” is published in *Business Week*. In 2004, the company that showed the highest percentage increase over its 2003 brand value was Apple, surprising iPod fans not one bit.

When a brand is tarnished, the balance sheet suffers. Nike stock and

sales tumbled after “sweat shop” exposés. But with those troubles behind it, Interbrand Valuations counted Nike brand’s worth at more than \$9 billion.

**Through brand, companies discover how values drive performance.**

## Branding 101

Elsie Maio, president of Maio and Company and designer of the SoulBranding (SM) technology, spent decades teaching corporate America how to position it’s identity—or brand—to consumers, investors and the public. Maio did stints on Wall Street, at McKinsey & Company and *Institutional Investor*. In 1983, she joined the firm that helped Walter Wriston craft the identity of the nascent Citibank and later worked with Fortune 500 companies like Raytheon, Sun Life, International Harvester and IBM. But today Maio’s mission is unlocking the soul power in brands.

Elsie Maio talks my language, but before I can grasp SoulBranding, I have to ask, so what is “ordinary” branding? Elsie offers a classic definition: It is the process of “building preference for a unique set of characteristics associated with a unique set of identifying symbology.”

Huh?

Why do you buy Coke versus Pepsi? Why choose this kind of brown sugar water over that? Because one or the other promises a certain kind of lifestyle, fun, peer approval or a cool image. *Brand is a promise that creates an expectation.*

That’s true whether its traditional branding or Elsie’s more soulful alternative.

## What is SoulBranding?

Maio and Company offers clients a revolutionary service: It shows them how to position a brand to embody transcendent values. SoulBranding identifies 12 core values that consumers, employees and conscious investors expect companies to stand for: Compassion, Humility, Justice, Courage, Respect, Humanity, Empowerment, Integrity, Wholism, Broader Good, Responsibility, Excellence. “The values are *there*,” says Maio. “They live in people.”

But how do you draw them out?

SoulBranding employs a self-auditing tool that gives employees (and other stakeholders, depending on the clients needs) the chance to rate how the corporation scores on these core values. Imagine evaluating your company on Compassion—or Justice, knowing that your opinion will reach the

executive suite? The resulting scorecard benchmarks which values a company and its brand broadcast and how well it lives up to them.

But Soul Branding doesn't stop there. It also calculates what company's must do to win credibility. "We ask, 'What specific evidence would convince you that the company has changed—or improved?'" says Maio. In the end, clients get a detailed report card, a set of goals and "a snapshot of the milestones of credibility."

How did brand, Spirit and values get so connected? Much of the answer lies in the Conscious Consumer trend—and the cataclysmic changes in today's corporate landscape.

### A New Day for Brand Managers

Time was, a brand manager could tell consumers just about anything and they'd pretty much "buy" it. PR and advertising mavens would concoct a top-down brand campaign, flood the marketplace with messages and successfully dictate the public's impressions. But those days are over—and so is traditional brand management.

Today, thoughtful, conscious consumers and media-savvy activists fully analyze corporate behavior. Result? Companies had better *deliver* on their promises—or face a public backlash. That's why Elsie Maio issues this stern warning to corporations: Invoke values and social responsibility authentically and honestly. Because your promise will become scrutinized.

When British Petroleum positioned itself as an "environmental" firm, says Maio, the company opened up lots of opportunity, but also grew vulnerable. One slip and watchdogs—or competitors—will enthusiastically point out any inconsistency between company action and its stated values.

"The promise of a brand, no matter how creatively scintillating," says Elsie, "is a liability unless the company delivers to all stakeholders."

### Whose Brand Is It?

If experts no longer *control* a brand the way they once did, who does? I would argue, to a large extent, the answer is the Conscious Consumer—and Elsie tells me, I'm partly right. A brand is co-owned by a corporation and stakeholders, she says, including, and perhaps especially, consumers.

Elsie cites the example of Monsanto in Europe. "Monsanto had a visionary CEO and great brand managers, but failed to recognize how strongly consumers felt about genetically modified organisms in agricultural system," says Elsie. "So when Monsanto went into Europe, they were shouted down."

### Conscious Consumers hold corporations morally responsible.

How could Monsanto have prevented the debacle? A company can't avoid people's reactions, cautions Elsie. "But it *can* sit down with critics, find shared goals and establish milestones toward achieving them."

In Elsie Maio's vision brand is a living, dynamic, energy fed by stakeholders, especially Conscious Consumers.

### Demand-Side Economics

For better or worse, Values-driven Customers are willing to pay more for products and services that reflect their values, as this chapter repeatedly illustrates:

- The NAHB survey that showed 20 percent—the hard-core Conscious Consumers—would spend up to \$5,000 for an energy-efficient, environment saving, healthy building.
- We all know a hybrid lover who waited months to pay \$3,000 more for a clean car.
- Or a natural food advocate who regularly and enthusiastically shells out more bucks at the cash register for organic produce,

As Conscious Consumers compel more producers to satisfy their demand, supply will increase and prices should fall. Meanwhile, Values-driven Consumers remain an unserved market and the next great opportunity for business. But exploiting that opening requires vision—a commodity "business as usual" can't seem to get its head around.

Listen to *Fortune* magazine: "Detroit snickered when Toyota unveiled its Prius sedans, powered by hybrid gas-and-electric engines. But it's Toyota that's laughing now: Its hybrids are a runaway hit, outstripping Toyota's ability to keep up with demand. Smart products and a sterling reputation for quality have lifted Toyota's share of the U.S. market to 12.2% last year, from 6.4% in 1986."

As I write this in March 2005, the debt of General Motors is growing. Sales are slumping and earnings may be 80 percent below expectations. One reason sales are off, say commentators, is because GM has no real hybrids to offer (GM's "mild hybrids" do not compare in either environmental or energy standards to those set by Honda, Toyota and Ford)

Admittedly, Ford has its own financial issues to worry about, but Ford *has*