

LIFESTYLE OF HEALTH AND SUSTAINABILITY – THE IMPORTANCE OF HEALTH CONSCIOUSNESS IMPACT ON LOHAS MARKET GROWTH IN ECOTOURISM

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Abstract: *LOHAS, which stands for Lifestyles of Health and Sustainability, and describes a more than \$200 billion dollar marketplace, comprising everything from organic foods and body care to socially responsible investing, alternative healthcare, renewable energy, and energy-efficient cars and appliances, is growing rapidly. The term also describes a group of consumers who want to do business with companies that share their interests and priorities in these areas. LOHAS consumers are those who are passionate about the environment, the planet, social issues, health, about human rights, relationships, fair trade, sustainable practices, and peace, spiritual and personal development. LOHAS consumers tend to make their purchasing decisions in keeping with their values of social and environmental responsibility. LOHAS marketers identify this group by many other names: lohasians, conscious consumers, progressive consumers, tree huggers, humanist, responsible consumers, and green consumers, but none want to be labelled as such. LOHAS now represent 23% of the population (about 50 million adults) in the United States, and 29% of the population in Japan (about 37 million). The speed with which the group is growing is astounding. Ecotourism, which emerged from environmental movement, presents one of the biggest market sectors in LOHAS. The term ecotourism has been around for at least two decades, generally referring to travel that combines nature-focused sightseeing with sustainably managed accommodations. More recently, the term has been expanded to incorporate a focus on indigenous populations and the needs of local communities. Countries around the world are showing interest-Japan, Taiwan, China, Australia, New Zealand, India, Germany, Holland, England, France, Canada, and more-all want to understand and integrate LOHAS principles into their own cultures.*

Keywords: *LOHAS, health awareness, sustainability, ecotourism, social responsibility, green consumerism*

Introduction

LOHAS is an acronym for Lifestyles of Health and Sustainability, a market segment focused on health and fitness, the environment, personal development, sustainable living, and social justice. Lifestyles of Health and Sustainability describes an estimated \$290 billion U.S. marketplace for goods and services. The consumers attracted to this market represent a sizable group in this country. Approximately 13-19% percent of the adults in the U.S. are currently considered LOHAS Consumers. This is based on surveys of the U.S. adult population estimated at 215 million (Lohas, 2015).

Research shows that one in four adult Americans is part of this group—nearly 41 million people. These consumers are the future of progressive social, environmental and economic change in this country. But their power as a consumer market remains virtually untapped.

Values such as a responsibility, credibility, and sustainability are ubiquitous principles that the LOHAS adhere to in all life circumstances. The following listing describes the value transformation of the LOHAS (Mohr 2011: 11):

- Consumption: quality instead of discount
- Lifestyle: authenticity instead of leisure society
- Religion: spirituality instead of faith
- Politics: participation instead of representation
- Social psychology: arrival instead of progression.

There is no clear socio-demographic group, which can be considered as LOHAS and many studies have shown that some correlations are even contradictory. The professional service firm Ernst & Young performed a study about consumer concerns for health and sustainability issues on more than 3,000 people in Austria, Switzerland, the Netherlands and Germany. The study once again demonstrated that LOHAS consumers appear in all demographic levels and belonging to the LOHAS group does not necessarily mean that people are rich or of a certain age or gender (Ernst & Young 2008). Although they are not a homogeneous group of consumers, LOHAS share some certain characteristics, for example, that they mainly live in urban areas. They do not only think about their own benefits, but also about the effects their lifestyles have on other people and the environment. Therefore, for example, LOHAS tend to buy organic products, consider ethical standards, fair trade and sustainability (Heim 2011).

The LOHAS lifestyle has also been titled a »hybrid« lifestyle. As shown in figure 1, following LOHAS means, e.g., being in favor of technical developments while enjoying nature, living a self-centered life while thinking about others and being realistic while open to spiritual ideas (Heim 2011).



Figure 1: LOHAS characteristics

LOHAS MARKET SECTORS

It is possible to recognize LOHAS types consumers by tracking certain key behaviors and beliefs or by looking at who is spending money in a few key sectors of the market. According to *Conscious Media in Broomfield (2015)*, organizers of an annual LOHAS forum

and publishers of *LOHAS Journal*, five main market categories define the LOHAS set (Derryberry 2005):

HEALTHY LIVING: This is the most common entry point to the LOHAS market. It encompasses organic foods, natural products, nutritional supplements, and a wide variety of health and fitness pursuits.

ALTERNATIVE HEALTHCARE: LOHAS consumers actively seek out information and services related to integrative healthcare and holistic disease prevention, including practices such as acupuncture, chiropractic and homeopathy.

PERSONAL DEVELOPMENT: Perceiving the connection between physical and mental health, LOHAS types take a strong interest in personal development and growth, including investigations of mind-body-emotion-spirit connections, self-help, leadership, and life-balance topics. They are likely to take yoga, meditation and tai chi classes, as well as purchase books, videos and CDs on related subjects. They like to seek out new experiences and learning.

ECOLOGICAL LIFESTYLES: Because they see their own health and the planet’s health as inherently tied, LOHAS consumers tend to embrace recycling, green building, ecotourism and all sorts of eco-friendly home and office products. They are better informed than average about ecological topics.

SUSTAINABLE ECONOMY: From renewable energy sources and socially responsible investing to fair-trade principles and “triple bottom line” accounting (which considers social and environmental performance, as well as fiscal profits), LOHAS consumers like to promote fair, ethical and sustainable business practices. They prefer doing business with companies that promote a holistic worldview and that share their values.

If the market shares (in the USA) are looked at more thoroughly, you can observe that some sectors have larger revenues than others do (Lohas, 2015).

<p>PERSONAL HEALTH \$117 billion Natural, organic products Nutritional products Integrative health care Dietary supplements Mind body spirit products</p>	<p>GREEN BUILDING \$100 billion Home certification Energy Star appliances Sustainable flooring Renewable energy systems Wood alternatives</p>
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<p>ECO TOURISM \$42 billion Eco-tourism travel Eco-adventure travel</p>	<p>NATURAL LIFESTYLES \$10 billion Indoor & outdoor furnishings Organic cleaning supplies Compact fluorescent lights Social change philanthropy Apparel</p>
<p>ALTERNATIVE TRANSPORTATION \$20 billion Hybrid vehicles Biodiesel fuel Car sharing programs</p>	<p>ALTERNATIVE ENERGY \$1 billion Renewable energy credits Green pricing</p>

Table 1: LOHAS Market Sectors

At first glance, it may appear that the five LOHAS sectors have little in common. For example, a manufacturer of recycled plastics or one of the automakers that is working on next-generation, energy-efficient vehicles may not appear to have much in common with an eco-tour operator or a retailer of organic clothing. Nevertheless, 41 million consumers believe there is commonality that transcends any operational and structural differences.

The interconnections between global economies, cultures, environments, and political systems play a large role in the holistic worldview of the typical LOHAS Consumer, but equally important are the interconnections of mind, body and spirit within individuals. This focus on Personal Development, with the ultimate goal of achieving his or her full human potential, is of utmost concern to the LOHAS consumer. The current growth in this market group strongly supports the notion that spirituality is no longer relegated to the *New Age* periphery, but is undeniably migrating to the center of mainstream cultural awareness.

LOHAS BECOMING A MAINSTREAM MARKET

LOHAS consumers are those who are passionate about the environment, the planet, social issues, health, about human rights, relationships, fair trade, sustainable practices, peace, spiritual and personal development. LOHAS consumers tend to make their purchasing decisions in keeping with their values of social and

environmental responsibility. LOHAS marketers call this group by many other names including: lohasians, conscious consumers, progressive consumers, tree huggers, humanist, responsible consumers, and green consumers, but none want to be labeled as such.

LOHAS now represent 23% of the population (about 50 million adults) in the United States, and 29% of the population in Japan (about 37 million). What is astounding is the speed with which the group appeared, moving from less than 4 percent of the U.S. population in the 1960s to more than 23% percent in the 1990s, a new record for such a population trend. Indeed, countries around the world are showing interest-Japan, Taiwan, China, Australia, New Zealand, India, Germany, Holland, England, France, Canada, and more-all want to understand and integrate LOHAS principles into their own cultures (Lohas Groupsite, 2015).

Lifestyles of Health and Sustainability may perhaps be or is indeed becoming the most meaningful consumer trend. Many famous world brands are competing for consumers and are “turning green” in order to retain old and attract new shares of the market. There are numerous examples in this marketing strategy.

Nike is making organic sportswear and talking about becoming a responsible global citizen. *Ford* is turning out hybrid SUVs from its much touted and newly “greened” Dearborn facility. *Whole Foods* is a \$4 billion retailer doing more business per square foot than any other grocery store around. *Citibank’s* recent “Live Richly” campaign urges customers to put more emphasis on their quality of life and relationships, less on the pursuit of cold hard cash. (Derurberry 2005)

These are just some of the cases in point. All these companies have one thing in common: a growing interest in addressing the desires of a powerful, values-driven group of consumers known affectionately as the LOHAS market.

So far the market and its consumer have been slightly underrated and commonly referred to as “New Age oddballs or left-leaning radicals”. However, most LOHAS consumers have no idea they’ve been labeled as such and don’t have much sense of belonging to any particular group outside of the mainstream. This is not a market that can be easily described in terms of demographics like age, gender or income, or by any one enthusiasm or political party.

Rather, LOHAS-leaning individuals are typically described in terms of psychographics: that is, by the broad group of intersecting values, concerns and priorities they share, and the criteria they use in making purchasing, investment and lifestyle decisions.

All the more, according to quantitative researches conducted over the course of the past three years by the *Natural Marketing Institute* nearly a third of U.S. adults embrace LOHAS values and priorities, including a strong interest in personal health and wellness, combined with a deep investment in environmental and social concerns (Derryberry, 2005).

LOHAS CONSUMERS SEGMENTS

A commitment to personal health is often the factor that turns people on to LOHAS ideals. They see a strong connection between their personal health and the health of the environment around them. In many cases, they are willing to put their money where their values are.

This may explain the fact that many local groceries or sections of supermarkets are becoming dedicated to organic food, that even different packages claim of being made of 98 percent post-consumer recycled paper, that many cosmetics now proudly proclaim that they are cruelty-free, and so on.

These changes reflect the shifting values of nearly one in three American shoppers, as calculated by the NMI annual survey of more than 2,000 households. For the past three years, they've quantified — with 95 percent confidence and +/-2 percentage points — four distinct consumer segments as profiled below (Derryberry 2005):

LOHAS CONSUMERS, accounting for 27 percent of the U.S. adult population (55 million people) in 2004, are label readers, well informed media consumers, early adopters and influencers. They're likely reading the fine print on Starbucks fair-trade coffee to learn about the social justice and environmental issues associated with growing coffee beans. All pertinent information in hand, a LOHAS consumer is likely to switch to fair-trade brew and to start singing its shade-grown praises to family and friends.

NOMADICS, at 37 percent (77 million adults), are the largest, most fluid group. The nomadic may do his yoga practice in the morning, feed his daughter organic, sugar-free cereal, then hop in his oversized SUV to grab breakfast at McDonald's on the way to work. Some LOHAS-like behaviors is noticed, but it's not a fully integrated lifestyle. Within this group, however, 45 percent are on their way to becoming LOHAS (up from 39 percent in 2003). The rest are either comfortable with their contradictions or are moving away from LOHAS behaviors.

CENTRISTS, at 29 percent (60 million adults), have more conservative attitudes toward health, social justice and environmental issues.

INDIFFERENTS, at 8 percent (16 million adults), are caught up in day-to-day challenges and either aren't aware of or don't care about LOHAS issues.

More than anything, what separates LOHAS types from non-LOHAS types is an abiding interest in integrating their values across many areas of their lives. "It's been said that LOHAS consumers don't just care about what they put in their bodies, but also what they put their bodies in," says Gwynne Rogers, a strategic marketing consultant at NMI. "When we ask people [in our annual LOHAS behavior survey] why they buy green building products, eat organic food or use renewable power, their personal health is as much a driver as reducing environmental impact. They like that they can make small choices, through their purchases and habits that support both concerns."

LOHAS AND ECOTOURISM, ALTRUISM, VOLUNTOURISM

Ecotourism is travel with ethics. It has, in essence, three core principles:

- protect and enhance the natural environment,
- respect local cultures and provide substantial benefits to host communities, and
- be educational and enjoyable for the traveler. LOHAS and ecotourism are part of the same growing consumer movement focused on sustainable living, social justice, and personal development.

Ecotourism emerged from the environmental movement of the late 1970s. By the early 1990s, it was the fastest growing sector of the tourism industry, expanding globally between 20% and 34% per year. In 2004, ecotourism and nature tourism were growing three times faster than the global tourism industry as a whole (UNWTO). In 2002, LOHAS found that ecotourism was a \$77 billion market in the U.S alone (Shum 2007).

Today, every brand must operate in the sustainability space and be subject to increasing scrutiny. Some, by virtue of their socially responsible positioning, will need to operate on an even greener plane.

Among the issues to consider (The New Consumer 2010):

- As consumers evolve from conveniently green to green as a way of life, T&T companies must be continuously proactive, rather than reactive. For those playing catch-up, the best strategy is to implement practices quietly and quickly; an announcement only begs the question: Why not earlier? This

is not the arena for PR, but for seamless integration of green policies. Communication efforts should be limited to highlighting truly innovative approaches and achievements (as recognized by outside authorities).

- Virtue may be its own reward, but quantifying green policies and practices will lead to better sell-in among all stakeholders.
- Educate, engage, and reward customers for their participation. Green is a collaborative effort.
- Seek credible, respected outside certification. In addition to the initiatives discussed earlier, respected hotel certification programs include *Green Globe*, which uses strict guidelines to certify properties in 80 countries, and the U.S.-based *Leadership in Energy and Environmental Design (LEED)* program of the *Green Building Council*.

There is a growing source of international development aid, spearheaded by ecotourism companies, to support community projects in host destinations. Increasingly, conscientious companies and travelers are providing “time, talent, and treasure” to further the welfare of host communities. Travelers’ Philanthropy projects are helping to empower local communities by providing social services, jobs, skills, ownership, education, and environmental stewardship.

Closely linked to Travelers Altruism is the movement for “Voluntourism,” active, hands-on, volunteer vacations that address global issues of environmental degradation and poverty alleviation, while fostering understanding between visitors and host communities. Its origins trace back to the days of healers, explorers, and sailors who traveled while offering services to those in need. With growing awareness of global citizenship and social responsibility, it is no surprise that “voluntourism” is booming. According to Peter Yesawich, CEO of America's leading hospitality marketing agency, 6% of all U.S. active travelers took a volunteer vacation last year.

There are increasing concerns about global warming and the effects of carbon dioxide produced from flights, road trips, and other fossil-fuel based recreation. Air transportation alone is believed to produce between 4%-10% of greenhouse gases worldwide. A range of businesses are taking responsibility for reducing their “carbon footprint” by decreasing emissions and donating to tree planting, forest protection, and solar, wind and other renewable energy projects.

Many family-owned farms are tapping into travelers’ interest in rural heritage and lifestyle. Through agroecotourism, farmers generate

additional income by hosting visitors, educating the public, and promoting farm products. In Vermont alone, income from farm based tourism activities generated \$19.5 million in 2002, representing approximately four percent of the total gross farm income.

Organic gardens, native landscaping, solar and wind power, waste water composting, rain water harvesting, gray water irrigation, and recycled building material are a few of the signs of the burgeoning field of 'green' architecture linked to tourism. Small ecolodge owners and luxury chains are beginning to recognize the ecological and often economic benefits of green architecture.

Conclusion

Throughout every level of society, the issues represented by the keywords "health", "wellness", "sustainability", "natural", "organic" and "light" have become increasingly important. Healthy and ethical consumption has been fuelled by various factors including public initiatives to promote and encourage healthy diets and lifestyles. The media have also taken up the trend and are bringing it to the attention of more consumers, while consumers themselves are becoming more aware of what they consume, keeping in mind the motto "You are what you eat". The role of the consumer has become more active and demanding due to the broad choice of goods available on the market. Consumers are not only more demanding about their product choices for their own benefit, but also realize the direct and indirect impact of their consumption on the environment. Attributes like "organic farming", "fair trade" and "sustainability" are becoming increasingly anchored in the consumer's mind.

Consumers' changing behavior and concerns relating to the source of purchased goods in the era of rising globalization and global sourcing have consequently influenced the investment and commercial community, which is beginning to demand evidence of ethical policies from producers. In turn, retailers are using ethical standards to build consumer trust and gain a competitive advantage.

The broad variety of products and the introduction of new product lines and labels with targeted benefits have at the same time caused consumer confusion. Information overload and the overlapping of attributes that consumers receive have resulted in a jungle of symbols and messages in the consumers' minds. The consumer may recognize a label on the shelf, but not remember the name of the label. In the survey, a large number of participants recognized the key labels that stand for "organic farming", "fair trade" or "sustainability".

Consumer concerns are also growing with the rise of globalization. People increasingly look for safety, traceability and credibility. Aspects relating to fairness and sustainability form an integral part of consumer conscience. The need for transparency is rising: Where are the goods from? Under what conditions are they manufactured? How reliable and safe are the products? What are the health benefits? How does it contribute to fairness and sustainability?

Therefore, it can be argued that the awareness of consumers is increasing and will increase in the future. Many of them are challenged with these two questions on a daily basis: how do my actions affect the world? Am I helping make the world a better place by buying /using this product? Moreover, these are the questions we should all ask ourselves.

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