“(STILL) MADE HERE”

Introduction

Last month, we discussed TRANSPARENCY TYRANNY. The month before that, it was all about CROWD CLOUT. Two trends firmly rooted in the online revolution, offering further proof that the most disruptive innovations are now to be found online.

However, that’s not to say the bricks-and-mortar world has become an innovation backwater. Two mega-trends of our time, the greening of consumption and the proliferation of alternative status symbols, hold the promise of vast new riches for real-world entrepreneurs, while wreaking havoc on those that lag behind. Which brings us to the (STILL) MADE HERE trend: the comeback of all things local, all things with a sense of place, and how they’re surfacing in a world dominated by globalization.

“(STILL) MADE HERE encompasses new and enduring manufacturers and purveyors of the local. In a world that is seemingly ruled by globalization, mass production and ‘cheapest of the cheapest’, a growing number of consumers are seeking out the local, and thereby the authentic, the storied, the eco-friendly and the obscure.”

In this briefing, we’ll focus on three big drivers behind this trend — social responsibility, status and support. There are more, but we’ll save those for a future update. Oh, and don’t worry, we’re not going to wax on for hours and hours about farmers’ markets ;-) Now, let’s start with everyone’s favorite 800-pound gorilla: social responsibility, from eco to ethics.

1. Eco and ethics

Global vs. local

THE story of 2006, 2007, 2008 and many years to come? Consumers, governments and business leaders are finally feeling the pressure to confront and act upon the fact that unbridled production and consumption comes with mounting pollution and at a significant human/animal/earth cost. Now, since virtually every think tank, trend firm, eco-blog, former US presidential candidate and oil company has chimed in on the issue, we’ll refrain from rehashing endless studies and scenarios on the globe’s future. Instead, we’ll focus on one sub-trend — locality — that is still emerging and as such can offer brands additional inspiration to come up with new goods, services and experiences that are part of the solution, not the problem.

Let’s start with ‘eco’. Now that carbon footprinting has become a household term in mature consumer societies, expect consumers’ desire to find out about the origins of a product to become a given. Questions no one ever asked a few years ago will become an integral part of the purchasing process. How was the product made? By whom? How did it get to its point of sale? What effects on the environment will it have after purchasing?

Increasingly, this transparency will pit distant production against local production. Above all, local production holds the promise of less pollution due to less transport. And, in prosperous and regulated nations, chances of inhumane labor practices are smaller, too.

A slew of projects and publications are fanning the current debate on local versus global production. Not too surprising, it’s the food and beverage sector — which can be both closest to, and most removed from nature — that finds itself at the forefront of the eco-
meets-local debate, while the apparel industry (sweatshop, anyone?) is feeling the impact of ethics-meets-local more than any other industry.

To stick with our promise to not repeat too much that others have already effectively investigated, we’ll gladly refer you to the books and projects below: they all deal with the specifics of how local consumption may (or may not!) trump more wasteful global activities. Click on the images to go to the relevant web pages:

UK supermarket Tesco plans to introduce carbon footprint labels on all 70,000 products it sells to allow shoppers to compare carbon impacts. Implementation will take a while: the company is currently investigating how to develop a "universally accepted and commonly understood" measuring system.

Last year, footwear manufacturer Timberland started placing a "nutritional label" on each shoe box, educating consumers about the product they are purchasing, including where it was manufactured, how it was produced and what effect it has on the environment. Nice touch: messaging inside the box asks customers "what kind of footprint will you leave?" and provides a call to action for them after purchase. Hey, it takes two to tango!

Dole Organic lets consumers “travel to the origin of each organic product”. By typing in a fruit sticker’s three-digit Farm Code on Dole Organic’s website, customers can read background info, view photos of the farm and workers and learn more about the origin of Dole products.
What works for bananas, works for eggs. Aptly naming their site [wheresyoursfrom](#), UK-based Chippindale Foods was the first company to offer customers full egg traceability. Also check out intermediary [MyFreshEgg](#), which aims to be bringing the same services to a host of farms and egg producers.

And the examples keep rolling in: from [Nature and More](#) to [Lloyd Maunder West Country](#) to [Aceites Borges Olive Oil](#).

The latter gives each bottle of olive oil a Numero de Lote (batch number), informing customers about the geographic origin of the olives, the pressing date, oil producer, place of pressing, liters bottled under the same batch number, date of bottling, degree of acidity, tasting score and tasting notes.

Next for these 'life story' labels? **Integration with 'supply-chain' codes** like barcodes, QR codes and [RFID](#), of course. Which will really take flight when, as is already the case in Japan, millions of consumers have code reading software on their camera-phones. Which means that infinite amounts of information (including images and videos) can be 'attached' to products, satisfying even the most seriously [INFOLUSTY](#) consumers. To be continued, though probably not a bad idea to start mapping out your product life stories strategy as soon as possible?

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trendwatching.com's 2008 Trend Report
covers 12 themes, 24 trends & over 200 examples.

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**Taking back production**

Now, books and labels are fun, but how about setting up entirely new (STILL) MADE HERE ventures? Expect local companies to take back production that's currently based in regions less concerned with eco and ethics. Some examples:
American Apparel. The most famous advocate of (STILL) MADE HERE deals with ethical concerns in a radical way: by manufacturing its garments in... high-cost LA. American Apparel now operates the country's largest garment factory, employs more than 5,000 people and operates 145 retail locations in 11 countries. Workers are paid (on average) USD 12 an hour, almost twice as much as California's minimum wage.

Back to edibles: Dutch start-up Happy Shrimp is Europe's first tropical shrimp farm, located in the very non-tropical port of Rotterdam. Promising fresh (‘superfresh’) shrimp, aimed at local restaurants, the business is taking on low cost shrimp farming in Asia. It does so by smartly capitalizing on trends that the competition may find hard to latch on to.

First of all, Happy Shrimp is thoroughly eco-friendly. Its farm is located next to a power plant and benefits from a heat-exchange system, using waste heat that would otherwise be released into the air. Farm waste, meanwhile, is used in a biological filter bed (many existing shrimp farms in the southern hemisphere pollute coastal wetlands).

Secondly, Happy Shrimp promises demanding consumers that the food on their plate is safe and unpolluted. An ISO 22,000 system is implemented throughout the whole process, while the farm is a closed recirculation system, which means nothing can enter or exit.

Thirdly, as the current trend in food and beverage is all about freshness, with supermarkets increasingly shifting from packed and canned goods to fresh, if not produced on the premises offerings (STILL MADE HERE indeed!), Happy Shrimps prides itself on being able to deliver shrimp to local restaurants within hours after ‘harvesting’, without freezing or month-long travels on mega-freighters. To feast on Happy Shrimp, locals will have to wait until the end of this year: the first baby shrimps arrived at the farm early May, and they’ll be ready for consumption this Christmas.

American Apparel isn’t the only brand to do so: NoSweatApparel calls itself the pioneer of fair trade fashion and footwear, setting (in their own words) an empowered, unionized workforce as the gold standard for fair trade clothing.

And for those of you needing more proof that (STILL) MADE HERE can be profitable and sexy: Ujena offers one of the largest selections of swimwear in the world, yet still manufactures its products in the United States.
To completely eliminate transit between source and table — and the need for egg traceability labels — British Omlet brings hens to consumers’ gardens and fresh eggs to their table every morning. The company designed a hen kit for urban and suburban gardens, aimed at first-time chicken owners, families and eco-savvy individuals. How it works? Omlet supplies organically reared and fully vaccinated female chickens (no early morning cock-a-doodle-doo), at a cost of GBP 365 (USD 700 / EUR 550). The two-hen service comes complete with an Eglu, an eye-catching, 21st-century version of the henhouse. In its first three years of business, the company sold 10,500 Eglus and is now also offering a larger version, the Eglu Cube, capable of housing up to 10 chickens.

Ready to brainstorm about the implications of the eco/ethics angle of (STILL) MADE HERE for your own brand? Do check out the ‘Opportunities’ section at the end of this briefing.

2. Story and status

An obvious example of the link between locality and story/status is the perception of location-specific quality. Just because everything can be produced everywhere, it doesn’t necessarily mean that (perceived) quality levels have been globalized, too. Some high-cost regions can afford to be expensive because of superior skills, rare expertise and/or a rock-solid brand. Which is why, contrary to earlier doom-sayers, high-end brands like Italian Ermenegildo Zegna (9 factories in Italy), Swiss Rolex or British Vertu (luxury phones are assembled by hand at the company’s headquarters in Church Crookham, UK) are manufacturing or assembling in their high-wage home countries, and not suffering from it.

In fact, keeping in mind the story element, this is what they’re selling, and what they’ve been selling for ages. And millions of consumers will gladly continue to pay a premium for these goods as they tell a story of authenticity, of connoisseurship, of the owner knowing where in the world to source the best of the best for each product category. To believe in the outsourcing of anything and everything is to ignore consumers' desire to spend as much as possible on the real thing.
Since, in a sea of (global) sameness, there aren't that many 'real things' left, the future of this kind of (STILL) MADE HERE production looks bright. In fact, millions of newly minted members of the middle classes in 'outsource nations' like China, India, Russia and so on will not accept anything but Made in Italy, or Made in Switzerland when going after blueblooded, old world brands.

Oh, and the counterfeiting issue? The 'product life story' labels discussed above, especially advanced ones like RFID chips that have unique tracking codes for each single item, may just take care of that. There’s money in heritage and keeping it real!

But it’s not just high-end production that can afford to ignore global production trends: every day sees new, small, local manufacturers capitalizing on skills and heritage in innovative ways. Case in point: bicycles. New, local bike brands keep popping up in cycling-crazy nations like Denmark and the Netherlands, which are hardly low-cost havens. Yet the combination of entrepreneurship and the cycling heritage these nations indisputably have makes for many a (STILL) MADE HERE success, and the fact that bikes have been manufactured and shipped from Copenhagen or Amsterdam is the story ingredient that commands a juicy premium elsewhere. To get inspired, check out the following brands, all of them manufactured locally and sold globally.

**trioBike** — **De Fietsfabriek** — **Cargobike.nl** — **Jorg & Olif**

Jorg & Olif actually embodies the (STILL) MADE HERE trend with a twist: the company is Canadian, but sources its utterly old-fashioned heavy, black bikes from a small traditional factory northeast of Amsterdam. The company currently ships throughout Canada and the US, and operates from a gallery-like lifestyle store in Vancouver.

Purchasing ingredients for a story

Now, (STILL) MADE HERE watches, tailor-made suits and bikes are all pretty visible status symbols, which thus often by default tell 'the others' a story on behalf of their owners.

However, with individualism being the new religion in most mature consumer societies, and consumers wanting to be anything BUT the Joneses, Li’s or Meiers, we’ve seen a rising interest in the truly different, the obscure, the undiscovered and the authentic. These new status symbols thrive on *not* being well known or easily spotted. They don't tell a story themselves, but require their owners to recount the story. This sub-trend will swell as ever-growing material abundance is pushing desperate-to-stand-out consumers even deeper into the experience economy. Which means there’s nothing physical to show for anyway, just a collection of experiences that can be talked about.

To make a long story short (no pun intended), consumers will increasingly end up *purchasing the ingredients for a story*, turning brands into STORY SUPPLIERS instead of the currently 'en vogue' practice of coming up with stories *about* brands. Anyway, we’ll get back to this in more detail in one of our Q3 briefings.

For now — and back to the (STILL) MADE HERE angle — it suffices to note that the local aspect of these story ingredients is going to be very prominent. Let’s turn to the food and beverage sector one more time: restaurants like **Canteen** and **Konstam at the Prince Albert** in London, **Foodball** in Barcelona and Google’s much discussed **150** go out of their way to locally source produce. Konstam, for example, sources everything it cooks from within the M25, while the name of Google’s ‘150’ reflects the fact that ingredients come from within a 150-mile radius of the restaurant at corporate headquarters in Mountain View, CA. So not only are they serving their customers hearty meals, they’re also providing them with a story to share with their peers.
One more example of (STILL) MADE HERE and story ingredients: the founders of Izzy Lane, a new British clothing brand, rescue sheep from being sent to slaughter for being male, missing a pregnancy, being a little lame, being too small, being too old or having imperfections in their fleece. The ones that are bought by Izzy Lane live happily ever after in their Sheep Sanctuary: last year the company saved 400 lucky sheep. Combining their passion for animals, great clothes and Britain, these confirmed vegetarians have created a line of knitwear made of the wool from their flock of rescued sheep.

Shetland skirts and suits are made from their flock of 250 Shetland sheep. Some of the knitwear is made from the wool of Wensleydale sheep, an endangered breed, with only about 1,800 left in the world. They have 250, most of which were destined for the meat markets before Izzy Lane saved them. The clothing is made locally by neighboring craftsmen — the last worsted spinners and dyers in the Bradford area. The cloth is woven at an ancient mill in Selkirk using Victorian machinery that has been operating for over a hundred years. For each Izzy Lane garment, the full provenance, from the fleece through the whole manufacturing process to the garment itself, is known. Now what will beget the wearers of Izzy Lane's clothes more status: the (obscure) label, or telling the heartwarming story behind their sweater?

3. Support

But there's more. A third, ongoing driver behind (STILL) MADE HERE is the importance of community, especially because to many consumers, `global` has come to represent faceless, rootless mega-corporations and supranational bodies, headed up by money grabbing executives whose golden parachutes seem to grow with the degree of incompetence they've let loose on employees and other stakeholders. Far from being chauvinistic nationalist movements, (STILL) MADE HERE and (STILL) SOLD HERE will increasingly be about supporting one's neighborhood, one's city, one's region, to regain a sense of place and belonging and to safeguard future access to the special and original, vs. the bland, the global and the commoditized.

Two interesting retail initiatives from the UK should get you going on this one:

**Bought locally, ordered online and delivered to your door.** That sums up what Poptothesshops offers South Wales residents. Poptothesshops, which was launched late last year, currently serves four high street areas, who each sell between 3300 and 4500 products using the internet shopping service. The company's founder came up with the idea after being dismayed about being too busy to shop at local stores. Most local shops have shorter opening hours than the big chains like Tesco and Walmart, which can make it hard to support local retailers. On Poptothesshops, customers can shop day or night, selecting products from the local butcher, baker, fishmonger, greengrocer and off-license, before checking out in one go. Similar to online shopping at supermarkets, customers can save favorite products and specify when they'd like delivery to take place. Delivery is free for customers. Poptothesshops covers its costs (and will hopefully generate a profit) by charging retailers 10-15% commission.

Besides supporting the local economy and keeping the high street alive, PTTS also sees other benefits: independent stores often offer great local products and produce that aren't available in nationwide stores, consumers save time otherwise spent in supermarkets and helping small retailers thrive decreases the control that supermarkets have over pricing, produce and suppliers.
Another example from the UK (where protest against the loss of local character of the High Street has been most vocal): the Wedge is a loyalty card with a difference. No store with more than 10 branches can participate. The card costs GBP 20 (USD 39), half of which goes to local charities. Wedge gives members special offers and discounts, usually 10% off, at nearly 100 shops. Merchants hope that the Wedge Card will give people an extra incentive to shop there rather than in the superstores. Initially the money will go to two local charities, but in future customers will be able to pick the charity that will benefit from their card.

More, more, more!

Even more reasons why the (STILL) MADE HERE trend will continue to grow: the GENERATION C (creative consumers) and MINIPRENEUR trends are still going strong, adding hundreds of thousands of local, independent artists, producers and manufacturers to the production pile and flooding the market with millions of truly authentic, niche goods and services.

Ok, one more example of how consumers will not only have more local products and artisans to potentially choose from, but also more ways to find them. Check out Singaporean inQbox (which stands for incubation in a box), a small store in a Singapore mall that is stacked with well-lit, attractive shelving units. It rents out 'boxes' to small businesses and artists, providing them with retail and gallery space, and taking care of the daily hassles of retail. Prices for a box start at SGD 80 (EUR 40/USD 50) per month, depending on size and location within the store. Vendors are selected carefully, and the store is popular with shoppers for its unique array of wares. Lots of shoppers means valuable mini-real estate, so there's often a long waiting list for boxes.

As inQbox puts it, they aim to "encourage creativity and entrepreneurship by providing individuals with a low cost and low risk platform to develop and incubate their talents further than just a hobby, home business or side interest. This allows you to continue with your busy life, be it taking care of your children, traveling or working in a corporate firm." (STILL) MADE HERE meets GENERATION C meets CURATED CONSUMPTION. The future may just be local....
Opportunities

Don’t be bland! *(Picture courtesy of Airlinemeals.net)*

As we stated before, (STILL) MADE HERE is a good conversation starter. It doesn’t in any way signal the end of globalization and it won’t save incompetent, uncompetitive local producers from innovative, global competitors. To further downplay its importance, remember that trends rarely apply to all consumers. (STILL) MADE HERE is no exception to the rule. Some consumers will not care *at all* about the origins of their purchases, will feel no need to sacrifice money or time for the environment, or have no interest in sharing stories with others. And when it comes to local versus global, never forget that globalization has brought consumers plenty of delights and excitement.

What (STILL) MADE HERE does provide eager marketers with, is a fantastic source of inspiration: those consumers who *are* interested in something with a sense of place, the local, the storied, want you to bring them innovative new goods, services and experiences that appeal to those desires.

Now, this trend is easy to apply to any B2C industry. Just a few questions to ask yourself:

• Which of our customers would enjoy knowing more about our product, and would be interested in accessing our product’s life story, from an eco or ethics angle? How could we (literally) attach those stories to existing and new products? Can we start working on advanced labels like those that Tesco and Timberland are experimenting with?

• Is there a business opportunity in creating a new brand or turning one of our existing brands into a purely local play, including a compelling local story (and premium margins)? Should we partner with some of the new players in this field?

• Can we add story ingredients to some of our more obscure or virtual products, helping our customers tell stories to others? Should we create new products that do this, if most of what we offer is more mainstream?

And so on. It's not rocket science (is it ever?), so happy local spotting!