

The Substitution Economy: How Small Changes in Our Day-To-Day Spending Can Shake the World

James Marshall Reilly



A new breed of *intentioned* consumers will change capitalism for good.

Consumers buy many products solely for their physical attributes. A hammer because it is sturdy and well made. A wool blanket for warmth. A generic brand of paper towels because they are inexpensive. But often, the most salient and marketable attributes that drive sales of specific products and brands have little to do with a products actual physical qualities or any tangible, functional differences between brands. No one selects a Rolex watch solely for its precision timekeeping, no one buys and wears a Livestrong wristband because of its intricate design, and no one heads to Starbucks simply for a cup of coffee.

In many cases a purchase is made because of a product “promise” that is more emotional and abstract than it is physical and concrete.

When products are linked to a complex psychological promise through branding, these products offer a value-add on that is far less tangible than any physical characteristic might be—offering consumers something highly image-driven, often personally self-defining, and even self-affirming in nature, instead.

It is often these psychological product attributes, which are a result of brand positioning and advertising rather than any actual elements inherent to the design or functionality of a product, that drive sales. If a product can strike an emotional chord with a potential buyer as it provides the option to intertwine the product's brand identity with an individual's self-identity, it can offer a means of self-affirmation and self-definition. The brands we associate with become a bit like our group of friends that can help define us—especially if we believe we are working in common cause with the company by purchasing their product.

As we see the longstanding lines between race, ethnicity, nationality, gender, sexuality and even generations blur, our consumer identity—which brands we purchase and use—is increasingly becoming, for many, a means of self-identification. As the traditional markers become less salient as self-identifiers, people look for ways to “create” identity, and corporate America is standing in the wings with the brands and the powerful brand messages we can align ourselves with to do so.

We are, to some degree, what we buy. Or at least we can become a bit closer to who we want to be based on the products we use, consume, and wear. As consumers our brand alignment can function not only as a means for public self-identification, but also as an important source of self-affirmation.

The brands we purchase can become, in a sense, our personal position statement.

Each of us can define ourselves *publicly*, and we can simultaneously feel good about who we are *privately*, as a direct result of our consumption patterns. We are offered a means of self-definition when we decide to purchase an electric car instead of a minivan, a FEED bag instead of a Burberry bag, or even a Blackberry over an iPhone.

“Each of us can define ourselves publicly, and we can simultaneously feel good about who we are privately, as a direct result of our consumption patterns.”

We can, in a sense, acquire what we believe are desirable personal traits through brand association.

We can define ourselves as young/hip/attractive/sexy/intellectual/fun-loving based solely on our selection of automobiles, food, clothes, fragrance, accessories, etc. We can define ourselves as good people when we cart reusable bags to the supermarket, wear jewelry handmade from

PVC pipe by local women in Kenya, support “slow food” through buying from local farmers, and purchase fair trade chocolate. We can mark ourselves as rebel or a conservative, as ostentatious or ecologically minded based on our purchasing patterns.

As we shop for mere “things,” we can acquire traits by association. Traits that either reflect who we are, or project an image a bit closer to whom we wish we were.

What this means is that corporations with millions, even billions of dollars in advertising and branding capital at their disposal have an open-season for psychological manipulation.

But conversely, it also means that consumers have the opportunity to leverage their own opinions with the aggregate blunt force of their dollars as well.

The boycott has proven to be a well-established and potent political and social tool. From the tossing of tea into Boston Harbor in 1773 that spurred the American Revolution to the boycott of Japanese silk in the 1930’s as a protest against fascist rule, from the yearlong bus boycott in Montgomery Alabama that brought national attention to the civil injustices of racial segregation in 1955 to the current boycott of South Carolina to protest the state government flying the Confederate battle flag at the Capital building, consumers have engaged in a long history of holding back their dollars to bring political pressure and instigate social and corporate change.

- In the 1960's the United Farm Workers Organizing Committee, headed by Cesar Chavez, launched a powerful consumer boycott to improve the pay and working conditions for California immigrant grape pickers that led to a 30% reduction in grape sales.
- The boycott of South African products in the 1970's utilized economic pressure as a means to instigate sociopolitical change in a global protest against apartheid.
- And the dolphin-friendly fishing policies instituted in the 1990's were largely a result of consumer pressure. Just to cite a few examples.

A quick glance at the current boycott list published by [Ethical Consumer](#) includes:

- The State of Alaska (because they allow wolf hunting).
- Adidas (for using Kangaroo skin in football boots).
- The country of Jamaica (for legislation against homosexuality).
- BP (for environmental safety violations).
- Canada (for the slaughter of seals).
- Herbal Essences, Johnson and Johnson, Proctor and Gamble, Iams, Unilever and others (for animal testing of products).

- Nestle (for irresponsible marketing of baby formula in developing countries).
- The aforementioned Starbucks (for the treatment of Ethiopian coffee farmers).

Collectively, consumer-purchasing patterns impact, to a degree, corporate policy. But, by and large, boycotting is an inherently private act. Nobody notes when someone *isn't* wearing a fur coat. In boycotts, you are left to hope that the collective financial impact of many like-minded consumers will eventually be felt by the manufacturers who are engaged in a behavior that you are protesting.

Then there is buy-cotting—the act of intentionally buying as a means to support a company whose policies you do support.

Buy-cotting is a far less private act than boycotting. When we publicly buy and then publicly use a product, we have taken our opinions and put them out into the social marketplace. We can leverage our dollars in the political and social arena, and we can use those consumer dollars not only to help a cause, but to define ourselves to those around us in a self-affirming and genuine feel-good manner.

That value add-on is as real as any physical product characteristic—sometimes even far more so.

As consumers, we can feel it everyday. And we now have a softer, kinder consumer wielding the almighty dollar as a far more intentioned consumer engaged in the lifestyle of buy-cotting.

Enter the Millennial generation—The 78 million individuals born between 1979 and 2001.

According to the 2006 Cone Millennial Cause study, 69% of Millennials consider a company's social and environmental commitment when deciding what products to buy. Almost nine out of ten (89%) are “likely or very likely” to alter buying patterns and brand loyalty, assuming equitable price and quality, to support products tied to socially responsible causes.

And companies exhibiting a lack of social responsibility? 45% of Millennials say they “are likely to refuse that company's products or services.” Additionally, over half (56%) claim they would refuse to work at a socially irresponsible company.

The Millennial generation feels empowered and responsible, and view themselves as instruments of change. And they are holding corporate America to the same standard.

70% of the Millennial generation feels that companies are not doing enough to support social issues. And since their collective dollars can make or break a company, businesses need to listen to their opinions.

Of late, an increasing number of consumers of all ages are demanding more from their dollars by becoming conscious consumers and *intentioned* capitalists wielding *ethical* dollars. And they are engaging in this behavior by leveraging their consumer dollars to do more good, as their buying patterns and brand alliances help them establish a self-identity that is in-tune with their worldview and their perception of themselves.

“*An increasing number of consumers of all ages are demanding more from their dollars by becoming conscious consumers and intended capitalists wielding ethical dollars.*”

They are employing the ethical dollar as a strategic assault weapon. And the value add-on? It makes them feel good about themselves.

And for good reason. They are part of a new model for addressing global need.

They are part of a consumer movement that is harnessing capitalism differently and earlier in the economic cycle. *Far earlier.*

For many companies and corporations, a timely brand strategy involves climbing the corporate ladder of “good” by creating “good-centric” brands and a loyal, self-affirmed consumer base of intentioned brand ambassadors who are empowered by their daily purchases in a way that no traditional product attribute could possibly accomplish.

And this has the potential to impact global need as it grows corporate profit.

Traditionally, philanthropic efforts to address humanitarian issues and global need have been funded almost exclusively by funds collected late in the economic cycle. This includes money donated by individuals and corporations after all of their other expenses have been taken care of, money donated by established private foundations funded by wealthy business people and families with after tax earnings, or funds provided by government programs funded with tax payer dollars.

Even the largest of private foundations—such as the Bill and Melinda Gates Foundation—are initially funded with dollars collected late in the economic cycle. Bill Gates had to build Microsoft *before* he had the resources to set up a foundation to fight malaria and HIV/AIDS, vaccinate children, and eradicate disease. The problem with this current model for addressing need is profoundly simple: It has been unable to generate enough. There is always more need than there are dollars. When we enter spaces of need late in the economic cycle, it is with diminished power.

We are not harnessing the power of capitalism in the most effective way.

While entering with fewer dollars later in the life-cycle of help, the problems just get bigger and more difficult to solve.

How this manifests for donors—however well intentioned they are and regardless of how much personal sacrifice they have made to make a donation—is that they are often left feeling like whatever they have done is not enough.

This system leaves many of the people who are doing good, feeling bad.

And many well-intentioned dollars doing harm.

It is important to note that the individual and aggregate consumer bases aren't the only groups using the power of dollars to wield collective political, social, and corporate power. Western aid dollars are distributed with strong political agendas, and then the local governments that receive this aid oftentimes distribute these dollars in inequitable and politically-motivated ways as well.

Which means that billions of our tax dollars are being used as a political weapon by foreign leaders.

As a single example, the BBC reported in August of 2011 that the Ethiopian government was withholding long-term aid dollars from villages where the population did not vote for reelection of Prime Minister Meles Zenawi Asres of the ruling party, the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF). Villages that supported the EPRDF were given aid in terms of food, seeds, and fertilizer while neighboring villagers were starving to death.

But we shouldn't be surprised. Aid of all types is used as a political tool.

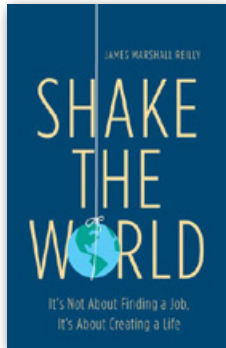
Which opens the door for ethical consumption and the intentioned consumer as a socio-political and economic tool. And as a means of personal identity and self-affirmation.

There is a derivative of our current model of giving that provides a better way to address global need. A solution that can potentially generate more money to address a greater need, and a solution that leaves the “giver” feeling empowered. And it doesn't require the donation of a single penny. It's an economic model for giving that harnesses capitalism earlier in the economic cycle and, in a broad-based fashion, invites everyone to participate. It leaves people feeling empowered, and it provides the opportunity to leverage their dollars through collective and aggregate buy-cotting of products.

It is the development and proliferation of products that offer a need-based “give” as a value add-on.

When we leverage dollars collected earlier in the economic cycle, and when we collect them incrementally from more people, it allows corporations to capitalize on the Millennial generation’s demand for socially responsible brands. It allows “for-profit” companies to participate in addressing issues of global need. And it leverages the powerful need of consumers for self-identity and self-affirming brand alliances. 📍

Info



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ABOUT THE AUTHOR | James Marshall Reilly is an entrepreneur, journalist, and the founder of The Guild Agency Speakers Bureau and Intellectual Talent Management. His expertise lies in the branding and marketing of cutting-edge thinkers and connecting them with audiences worldwide. He lives in New York City.

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