



natural marketing institute®

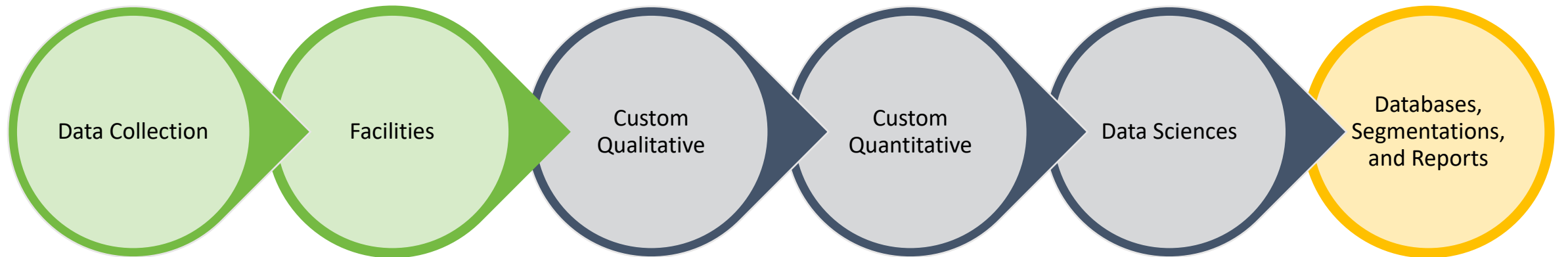
Research America Inc.®



**The Quirks Event
20 Years of Sustainability
November 2021**



Our Expertise Across the Research Spectrum:



- Web panel (B2C and B2B)
- Online panel management (programming & data collection)
- Multiple phone centers across the US

- 2 CLT sensory facilities (Orlando, FL & Totowa, NJ)
- 6 focus group facilities (Sacramento, CA; Cincinnati, OH; Newtown SQ, PA; Orlando, FL; Buffalo, NY; & Totowa, NJ)

- Ethnography
- Shop along
- IDI/TDI, Triads, traditional groups (online & in-person)
- Co-creation
- Online discussion boards, journaling/diaries, etc.

- Brand equity, positioning, etc.
- AA&U; H&P
- Decision hierarchy
- Path to purchase
- Customer satisfaction
- Segmentation
- Concept ideation, screening, optimization
- Packaging, pricing, flavor profiling, etc.
- Message testing (creative and copy test)
- Secondary analysis, social networking analysis, etc.

- Blending traditional marketing science methodologies such as conjoint, discrete choice, max-diff, and turf analysis with big data analysis, predictive analytics, and machine learning

- 5 Trended, Comprehensive Consumer Insight Databases
- Segmentations:
 - Sustainability
 - Health & Wellness
 - Whole Living
 - Organic
- Published Reports
 - 20th Health and Wellness Trends
 - 18th Sustainability in America
 - 2020 Supplements, OTC, Rx Trends
 - 2020 Whole Cannabis

Natural Marketing Institute Provides Unparalleled Global Expertise in Health & Sustainability

- ❖ The Institute is an international strategic consumer insights firm, specializing in consumer trends and innovation since 1990.
- ❖ Our mission is to focus on the interconnectedness of personal health/wellness, sustainability, and whole living.
- ❖ Our goal is to help clients grow their business through the identification and validation of new ideas and solutions.



Questions exist regarding whether the stress of the current state of affairs, compounded with the COVID-19 pandemic, are generating a level of apathy and even a reversal of conviction among consumers with regard to sustainability....

Natural Marketing Institute® research shows otherwise...



In fact, there appears to be evidence that the COVID-19 pandemic may have ignited a stronger conviction towards environmental protection and sustainable behaviors among the population

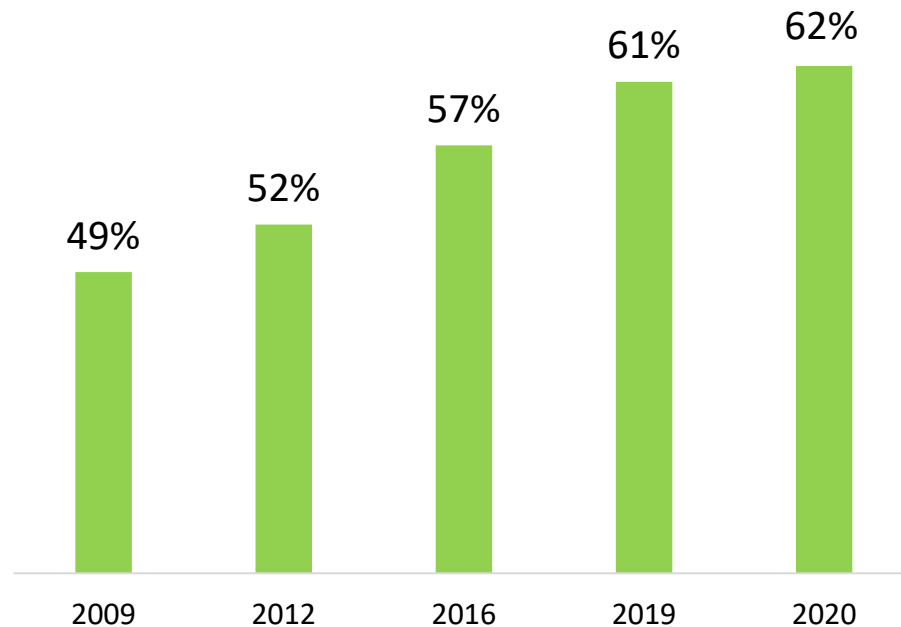
Due to COVID-19, almost half of consumers....

- ✓ Are more concerned about **protecting the environment**
- ✓ Are more committed to **living a sustainable lifestyle**
- ✓ Feel a little bit more in control when they choose eco-friendly, **sustainable products**
- ✓ Have become more concerned than ever about what a company is doing to **lessen their impact on the environment**



Even further, consumers' feelings of personal responsibility for protecting the environment have been steadily increasing...

% general population indicating
I feel more personally responsible for protecting the environment than I have in the past



Over half (56%)...

...make their decisions with an understanding of the effect they will have on the health and sustainability of the world, its environment, and people (up from 45% in 2017)

... *and* they are personally taking action

Over 7 out of 10 are doing the following to live more sustainably

- ✓ Use reusable containers
- ✓ Recycle as much as they can
- ✓ Have become more energy conscious in their home
- ✓ Conserve water
- ✓ Use energy efficient appliances
- ✓ Purchase products made from recycled materials
- ✓ Use less chemicals/pesticides on their lawn/garden
- ✓ Use more natural products
- ✓ Use products with less packaging

Even globally, consumers are seeking information on how they can be more environmentally responsible; knowledge stimulates action and promotes change

I would like more information on how I can protect the environment



Natural Marketing Institute has also determined that consumer segments in the general population are not homogenous and, in fact, exhibit various shades of 'green' based on their level of environmental and sustainable engagement

The LOHAS consumer acts as the environmental steward and sets the 'sustainability' bar across the population



LOHAS®: 26%

- Personal and planetary health priority



NATURALITES®: 21%

- Personal health drivers greater than planetary health



DRIFTERS®: 26%

- Green followers



CONVENTIONALS®: 15%

- Practical and rational



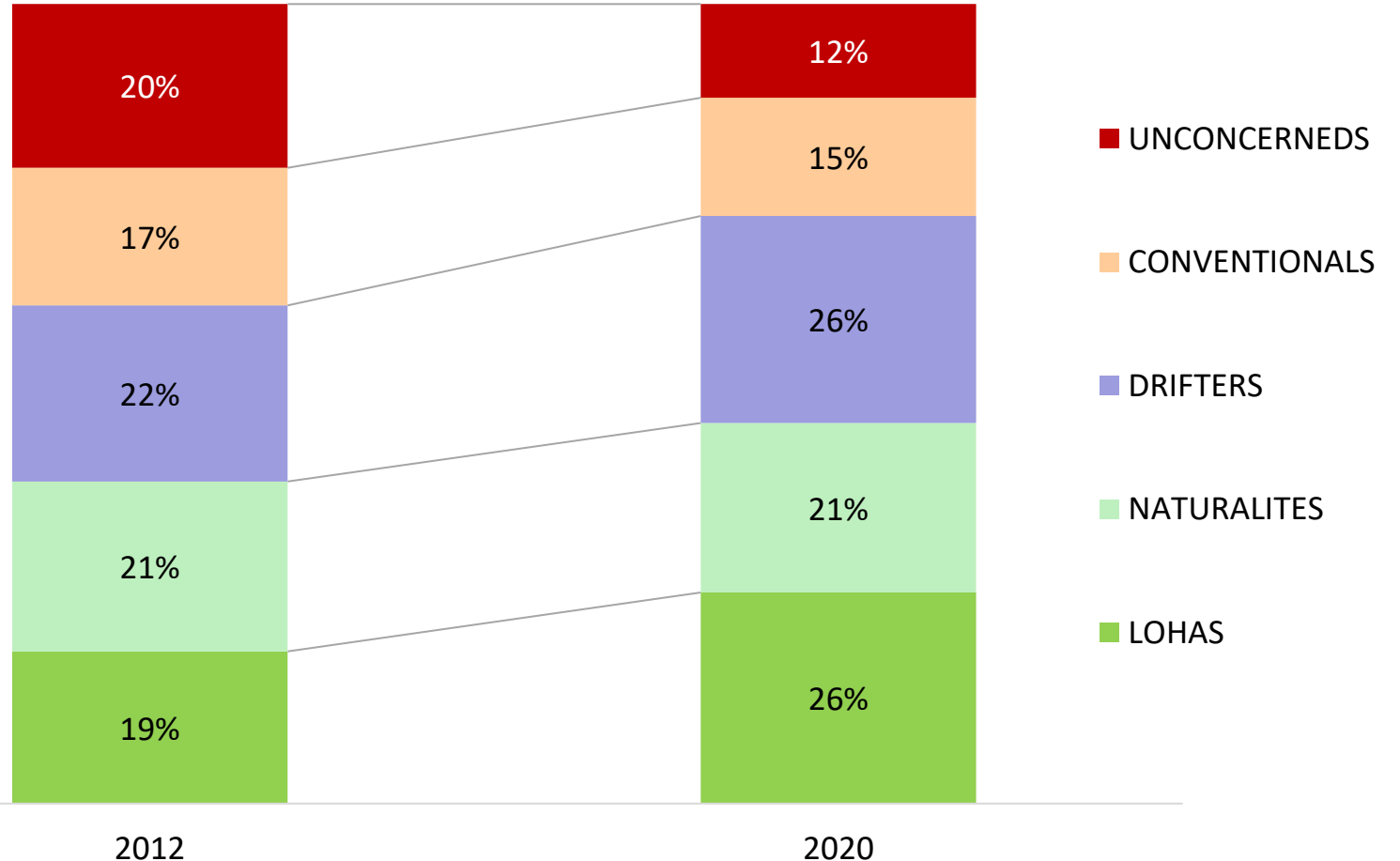
UNCONCERNEDS®: 12%

- Less engaged but not *unengaged*

Over the past 8 years, the LOHAS segment has grown substantially while the UNCONCERNEDS segment has diminished in size indicative of the increased mainstreaming of sustainable attitudes



As sustainability mainstreams, consumers are adopting more environmentally-oriented and sustainable attitudes and behaviors which causes them to shift into other sustainable segments



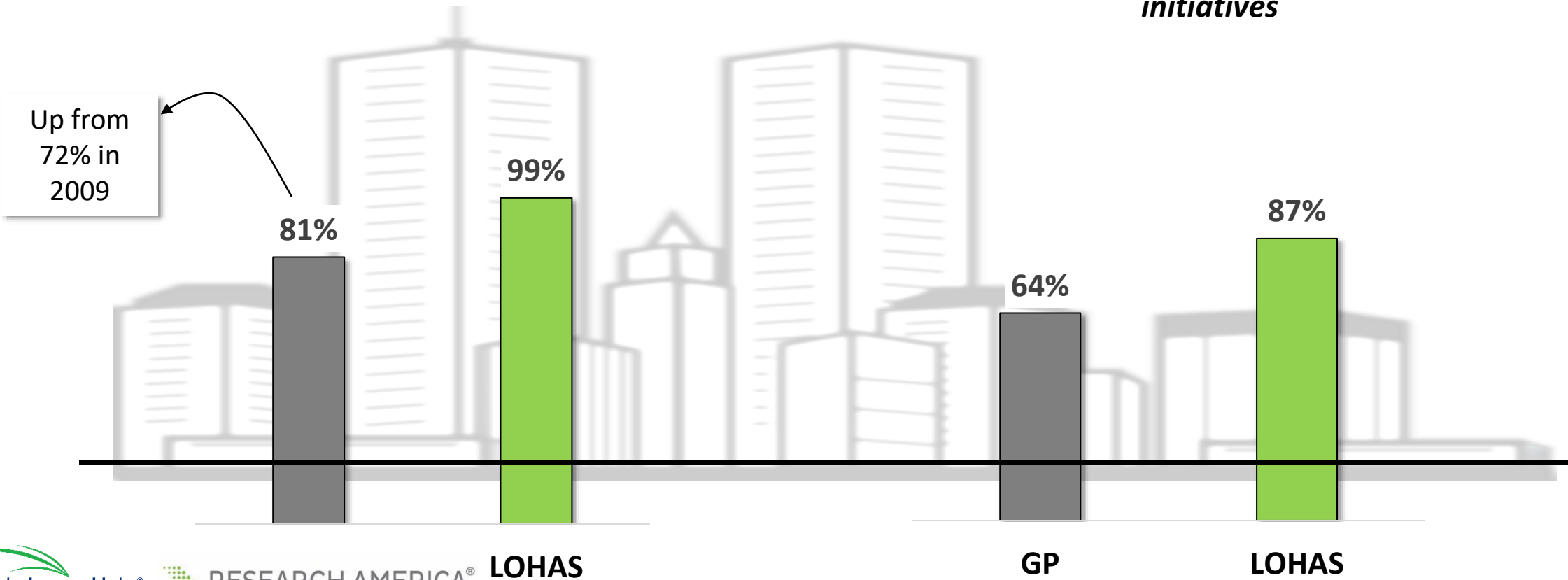
The LOHAS consumer seeks out products, services and brands that align with their environmental and social values and, being true to their influential nature, they will influence others to use them as well

BELIEF

It is important for companies to not just be profitable, but to be mindful of their impact on the environment and society

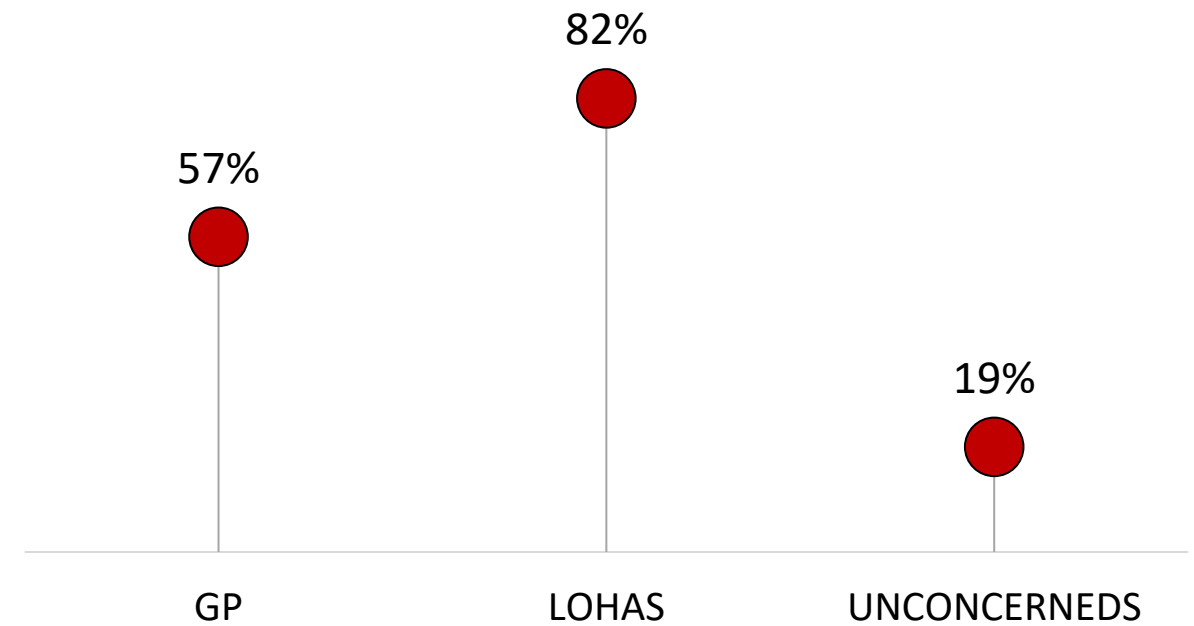
ACTION

I live a more sustainable and environmentally friendly lifestyle by buying/using more products from companies who follow sustainable and e-responsible initiatives



Even further, over 1 out of 2 consumers prefer to purchase from companies that support issues such as equal pay, non-discrimination and gender equality, rather than companies that don't; even 1 out of 4 UNCONCERNEDS prefer companies who take a stand on social issues

I prefer to purchase from companies that support social issues such as equal pay, non-discrimination, gender equality, etc. rather than companies that don't support any social issues



In fact, consumers are increasingly aligning their product purchase with a company's values
and cause support;
know where your customer stands

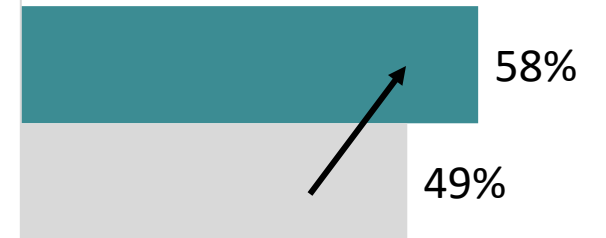


% general population who completely/somewhat agree

When I see a company supporting
a cause I believe in, I am more
likely to buy its products.



I will usually buy products from
companies whose values are most
like my own



■ 2020 ■ 2011

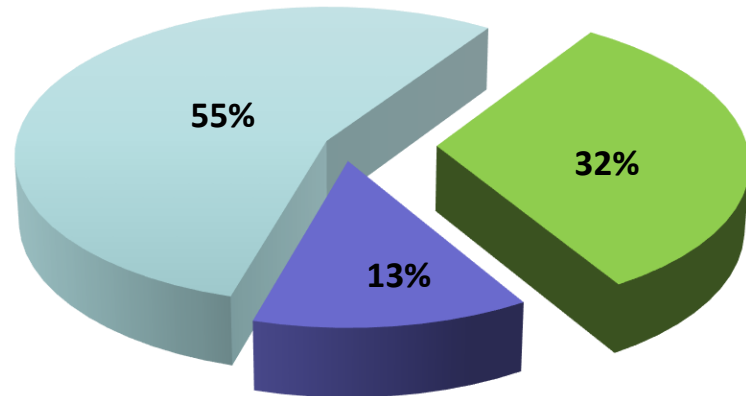
That said, while consumers believe companies need to do their part, very few consumers trust companies to do so; consumers want accountability, responsibility and sustainable solutions from those with which they do business



- 48% of the population think corporations should be doing more to protect the environment
- However, only 15% trust corporations to protect the environment now and in the future

In fact, consumers do look for evidence of a company's sustainable efforts via a variety of methods; what is your brand equity with regard to sustainability and what are your customers finding out?

% consumers indicating, that as a result of COVID-19, they feel companies will become more sustainable, less sustainable or it will not change their efforts



□ Will not change □ Less □ More

What do they do to determine if companies are actually following sustainable practices?

- ✓ See how transparent they are on their product label
- ✓ Look for certifications for environmental practices
- ✓ Look for certifications for societal practices (fair trade, etc.)
- ✓ Look for how they source materials/ingredients
- ✓ See how transparent they are on their website
- ✓ Look for their animal welfare practices
- ✓ Look on their website for their code of ethics/mission statement

The impact of knowing a company is mindful of how its practices affect the environment and society has growing influence among consumers, increasing their desire to try a product/service, boosting their loyalty and even making them want to talk to their friends about the organization

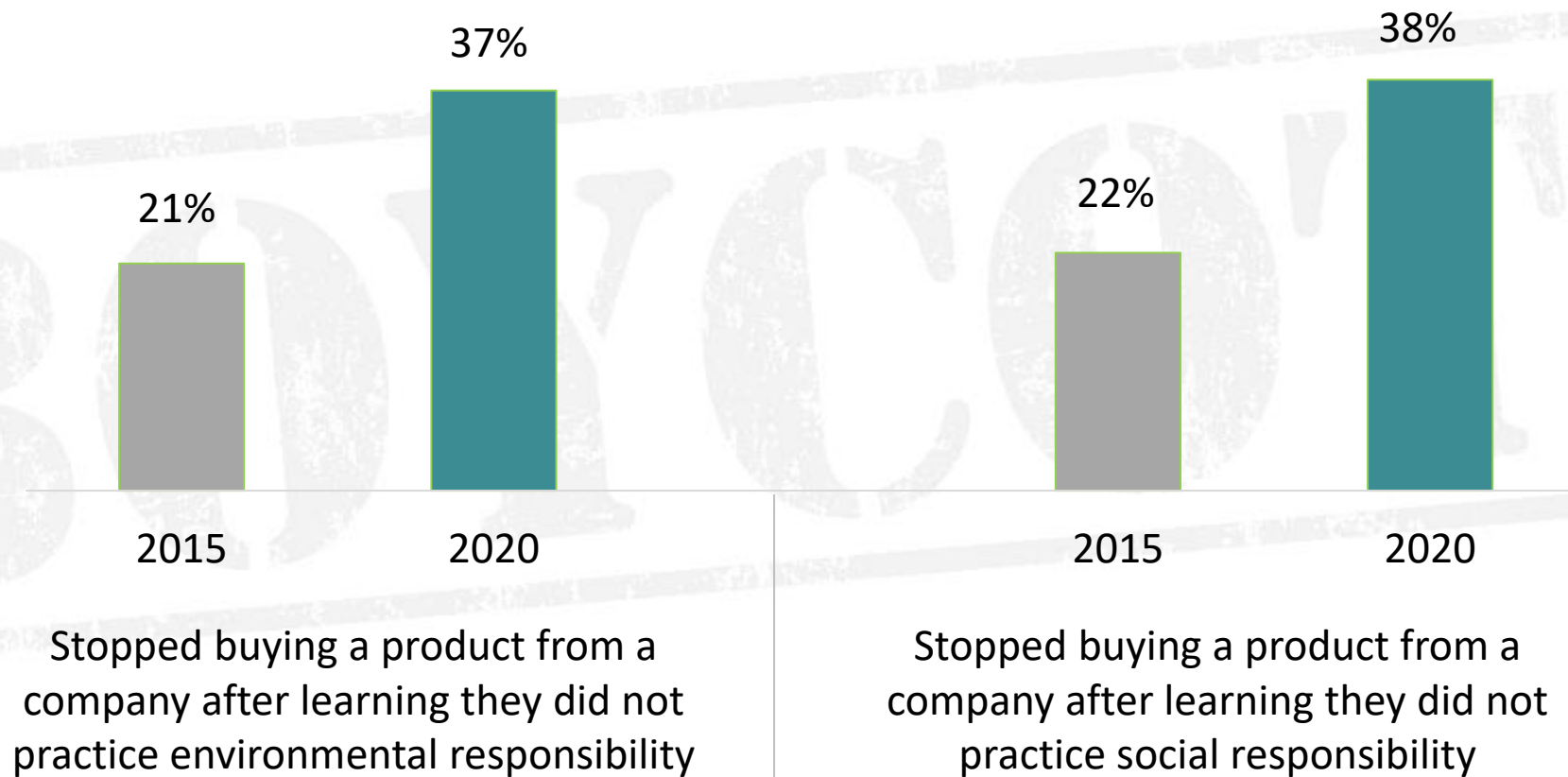
% Growth 2009 to 2020

% general population indicating
Knowing a company is mindful of its impact on the environment and society makes me...



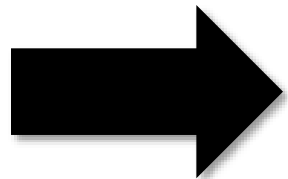
Conversely, a company's *lack* of environmental and social responsibility is becoming increasingly unacceptable and consumers will let their feelings be known with their buying dollar

% general population indicating they have taken part
in the behaviors on a regular and consistent basis



In Summary....

- 🌍 Companies who incorporate sustainability as a fundamental part of their brand portfolio will be better aligned with growing consumer demand
- 🌍 The impact of knowing a company is mindful of how its practices affect the environment and society has significant influence among consumers, promoting trial and loyalty
- 🌍 Understanding which corporate sustainability initiatives consumers are most interested in can help drive the level of return such efforts will deliver
- 🌍 Consumers want accountability, responsibility and sustainability from those with which they do business; therefore, demand for product transparency is on the rise
- 🌍 By understanding the consumer segment's "green" orientation, companies will be better equipped to determine how to target the most optimal segment with the most relevant messaging
- 🌍 Companies and corporations will need to reexamine their processes and offerings to have a positive impact on the environment and society to align with growing consumer demands



Are you prepared to meet your customer's needs?



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