



Consumer Trends & Profiles

October 21, 2010



NMI – Unparalleled Expertise in Health, Wellness, Sustainability & Innovation



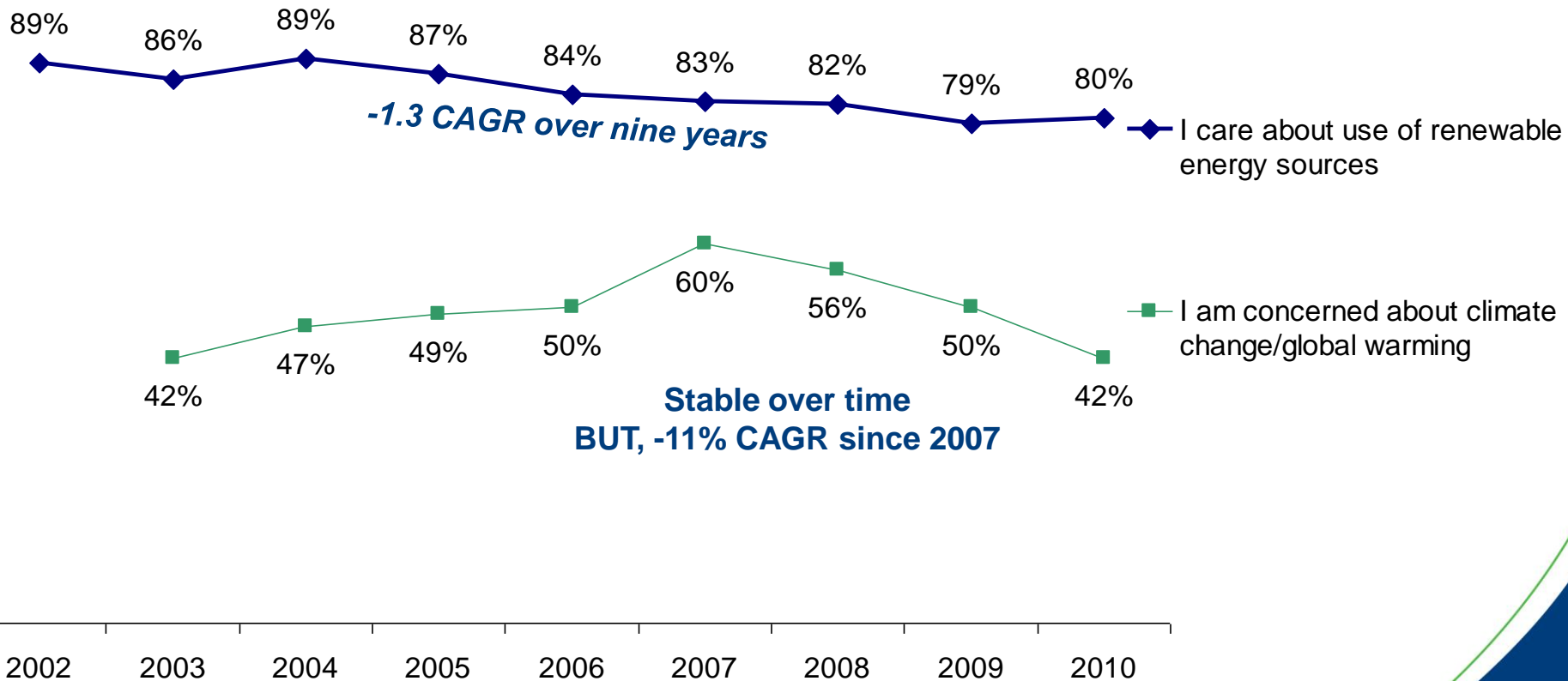
NMI is an international strategic marketing consultancy, specializing in health, wellness, sustainability & innovation since 1990 with full service brand development, product development and market research resources.

Our annual LOHAS Consumer Trends Database™ consists of nearly 80,000 total consumers interviewed since 2002 in the US and around the world



Declines in Renewable Power Interest Have Stabilized, But Climate Change Continues to Drop

(Q.9 – % US GP stating they agree completely/somewhat that they care about use of renewable energy sources; Q.28 - % GP stating concern about climate change/global warming)



NMI's LOHAS Consumer Segmentation Model Drives Insights and Actions

(% U.S. general population in NMI defined consumer segments)

UNCONCERNED: 17%

- Unconcerned about the environment and society



LOHAS: 19%

- Active stewards of the environment
- Dedicated to personal and planetary health
- Lifestyle-oriented
- Heaviest purchasers of green/ socially responsible products

NATURALITES: 14%

- Secondary target for many mainstream LOHAS products
- Personal health motivated
- More likely to use LOHAS-consumables than durables
- Income restricts behavior, creating attitudinal versus behavioral disconnects

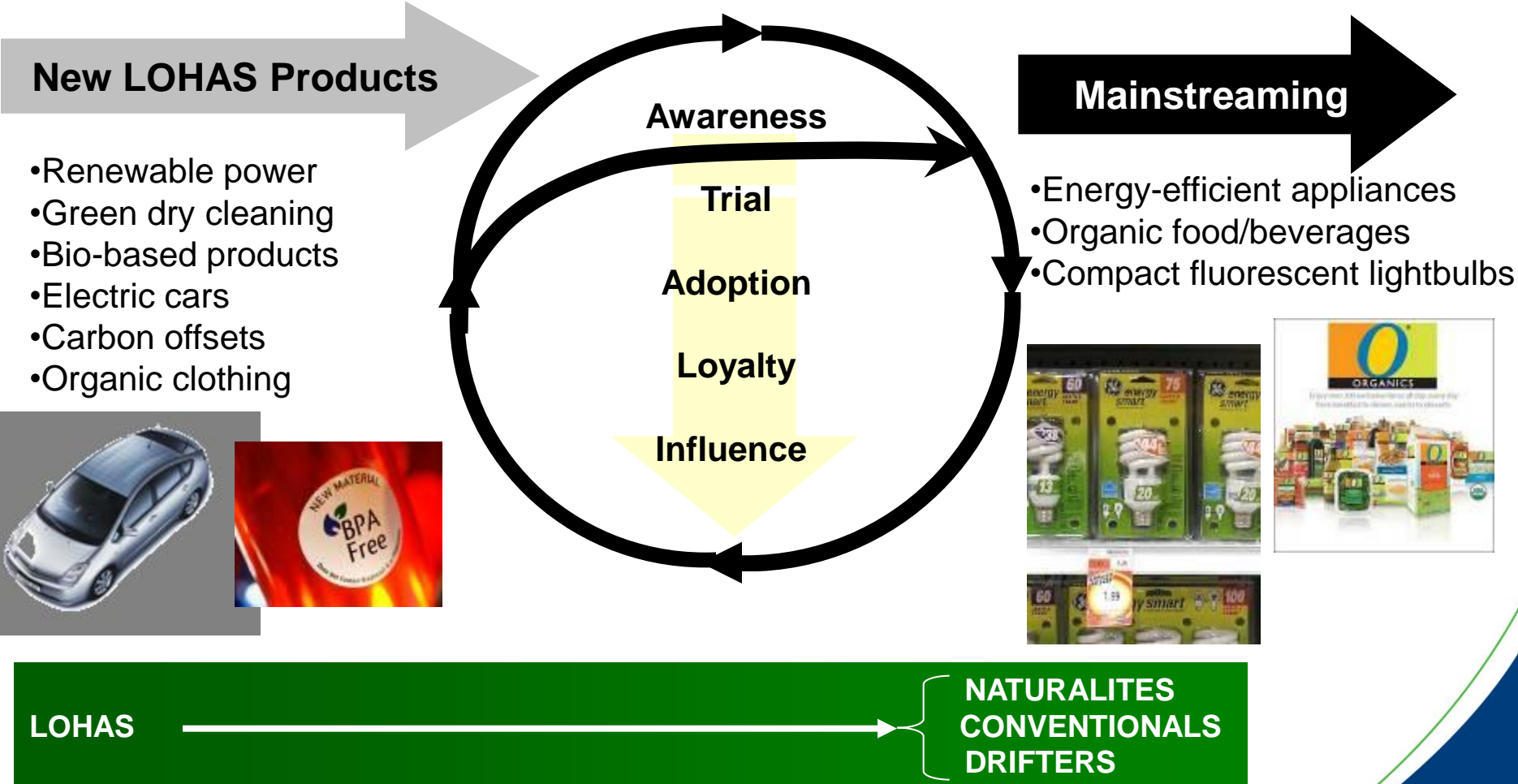
CONVENTIONALS: 29%

- Practical
- “Yankee Ingenuity”
- Conservation-oriented

DRIFTERS: 21%

- Looking for “easy green”
- Trendy
- Price sensitive

How LOHAS Influences the Mainstream



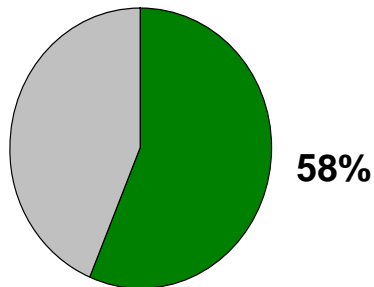
LOHAS Mainstreaming Organic Food



(% NMI defined consumer segment among organic food user (past 6 month usage*))

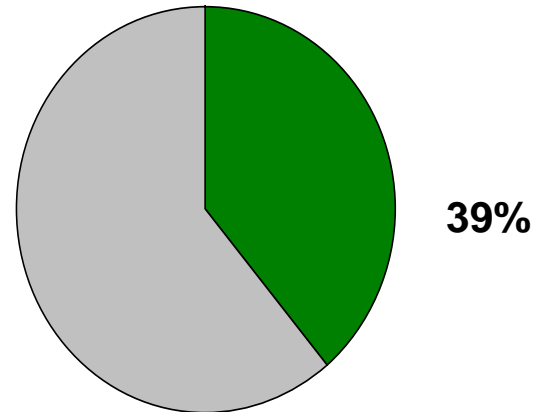


2003 - \$9 billion*



 LOHAS Consumers

2009 - \$25 Billion*



 Non-LOHAS Consumers

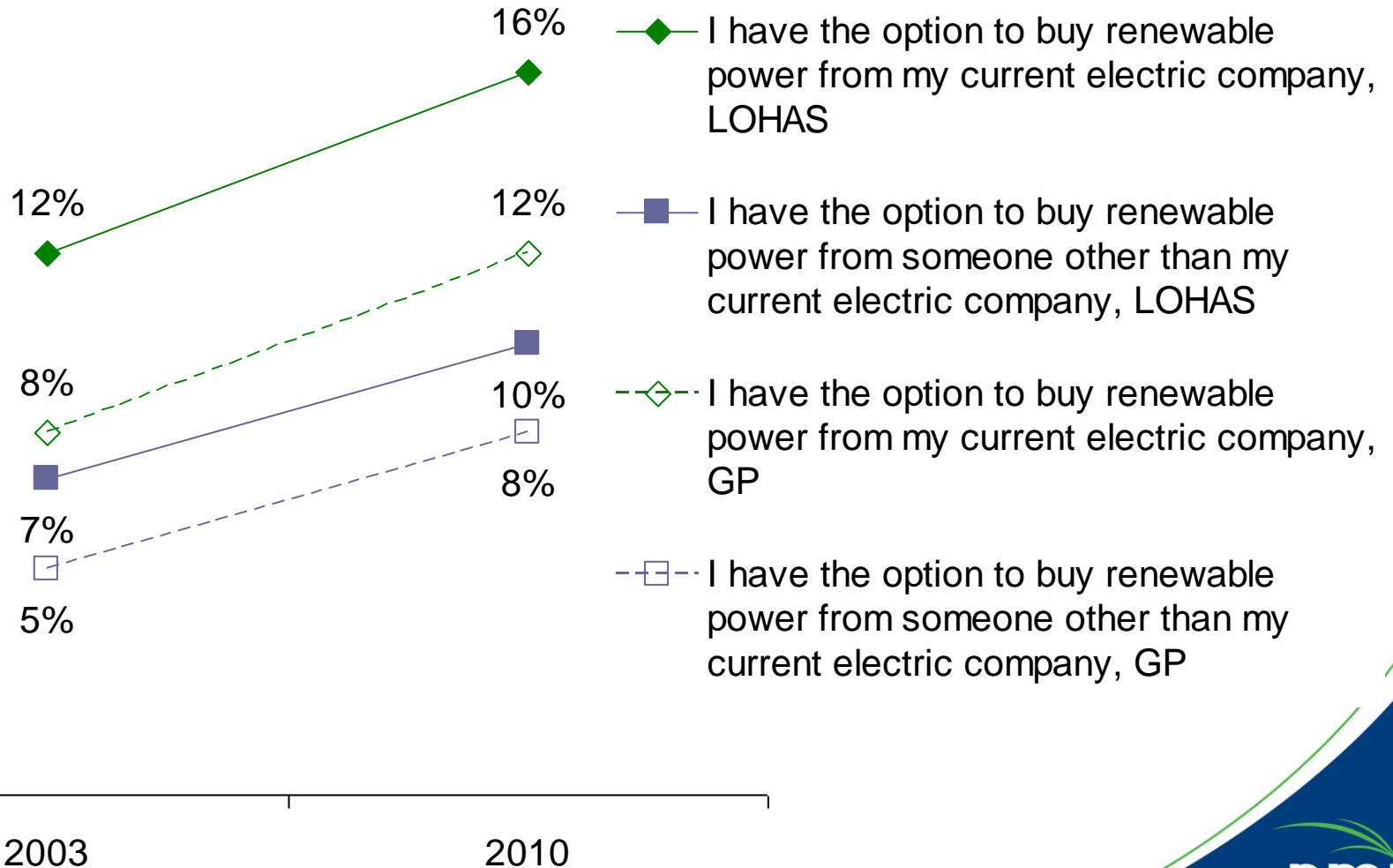
*Sales figures for organic foods/beverages

Source: NMI's 2010 LOHAS Consumer Trends Database™

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Consumers Awareness of Purchase Options has Increased

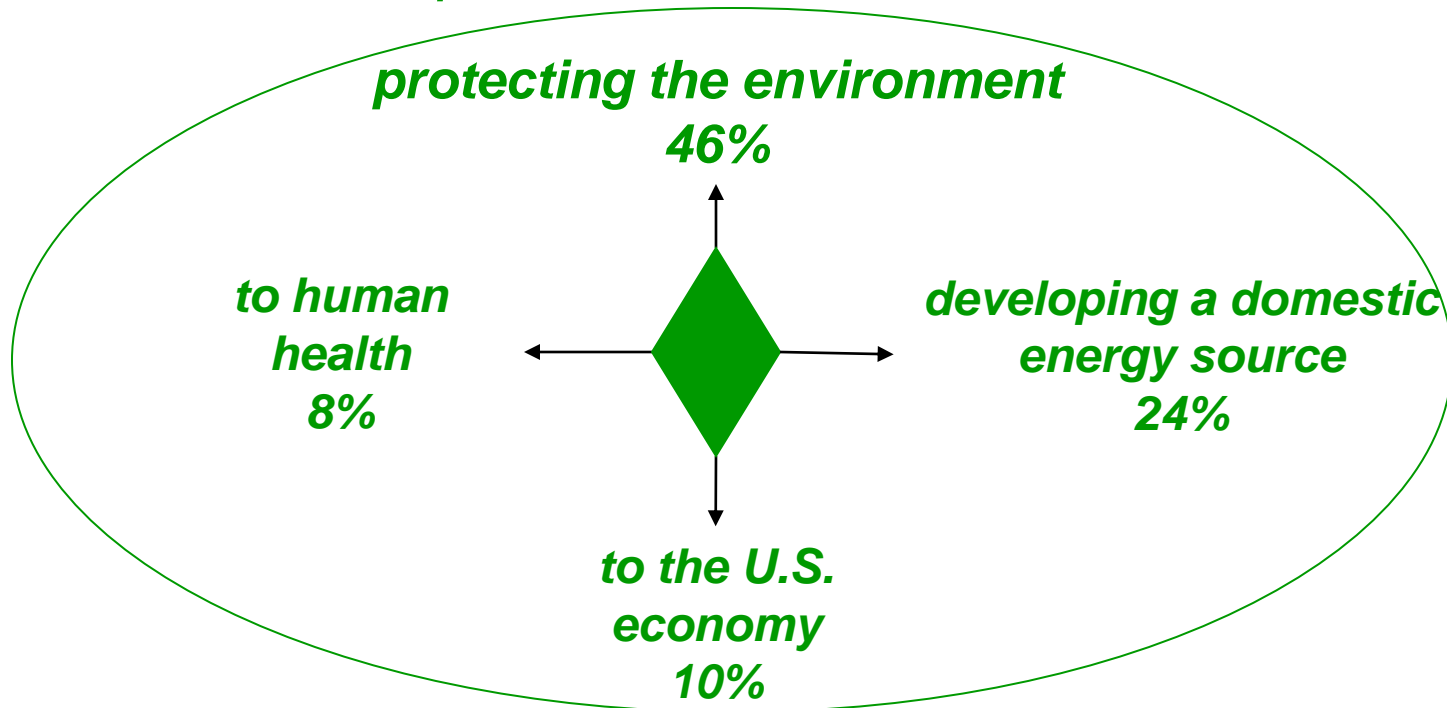
(Q.122 - % LOHAS consumers stating the following)



Environment is Clear Winner in Use of Renewable Power; Other Benefits Need Improved Communication

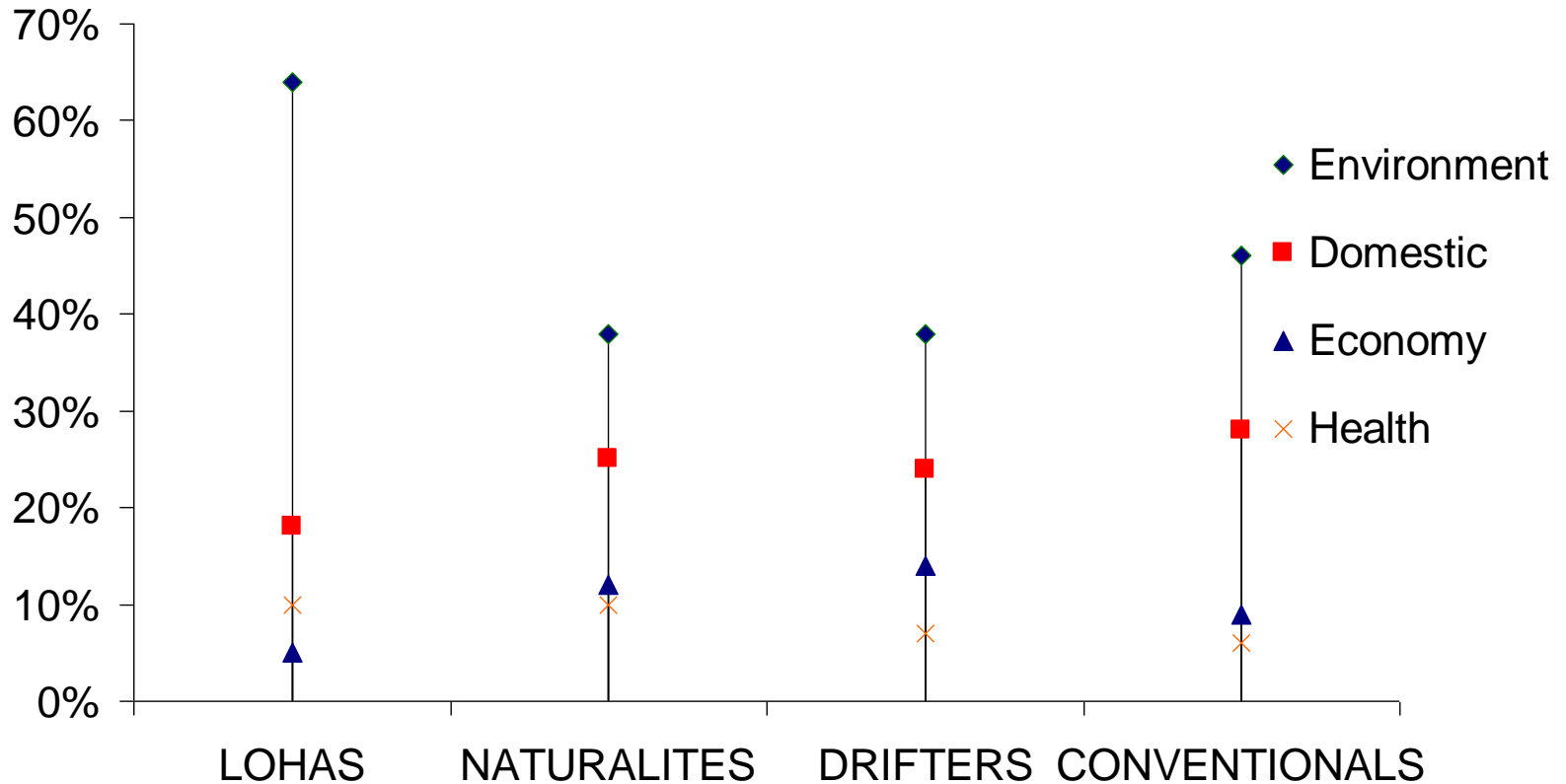
(Q123 - % US GP stating the following)

I believe that the most important benefit of renewable power is...



Benefits of RP Vary by Segment

(Q123 - % segment stating the following are the most important benefits of renewable power)



Consumer Target Opportunities: RP Adoption Pathway

(Q9 - % segment agreeing completely/somewhat with the following; Q 122 - % segment stating the following are the most important benefits of renewable power)

	I care about use of renewable energy	I have the option to buy RP from my utility	At least some of the power for my home comes from a renewable source
LOHAS	98	16	10
NATURALITES	79	11	8
CONVENTIONALS	84	11	6

So how do you find LOHAS consumers?

LOHAS consumers more likely than segments to...

...Read:



...Describe themselves as:

Intelligent
Considerate
Loving
Independent
Trusted
Eco-Friendly

(Top positive descriptors)

...Watch:



...Shop:



Profiling Renewable Power Consumers

Demographically

- Several years younger
 - Predominantly men
- Well-educated and high income
- Slightly more likely to have kids at home (particularly 5-12 yo)
- Live in large metropolitan areas, more commonly in the West

Attitudes

- Only 85% aware of global warming
- 56% concerned about global warming
 - No different perceived benefits of renewable power vs. total pop
- 52% want to know what companies are doing to reduce their impact on climate change

Consumer Behavior

Use all other “green” products more than total pop, specifically:

- Hybrid cars
- Socially responsible investments
 - Organic cotton
- Natural cleaning products
 - Green electronics
- Natural/organic personal care
 - Organic pet food
- Green building products
 - Local foods

Summary

- ✓ **Consumer interest in renewable power has been declining, but appears to be stabilizing, even while concern about climate change declines**
- ✓ **Targeting consumers psychographically gives a better fit than demographically**
- ✓ **A great deal of opportunity remains to grow usage within LOHAS consumers, even while some other segments show opportunity**

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