RE: THINKING CONSUMPTION

Consumers and the Future of Sustainability

The Regeneration Roadmap | BBMG | GLOBESCAN | SustainAbility

About This Study

Developed by **BBMG, GlobeScan and SustainAbility**, The Regeneration Consumer Study is an online survey of consumer attitudes, motivations and behaviors around sustainable consumption among 6,224 respondents in six major international markets (Brazil, China, Germany, India, United Kingdom and United States). Fielded in September and October 2012, the study represents a holistic exploration of sustainability market trends, priorities and engagement pathways, including information on sustainable consumption, trust, transparency, social issues, behavior change, consumer collaboration, participation and advocacy actions.

The overarching goal of the study is to bring the consumer voice into the sustainability conversation and help articulate specific decisions and actions that companies can take to accelerate and grow a more sustainable economy. Specifically, the study seeks to:

- Uncover consumer motivations that drive their interest in living sustainable lives – and provide opportunities for companies to create products and services with beneficial economic, social and environmental impact;
- Provide insights and implications that help companies make the business case for sustainability and advance the creation and deployment of more sustainable products, policies and practices; and
- Better understand how companies can engage consumers in creating a sustainable economy and future.

The study is part of **The Regeneration Roadmap**, a collaborative and multi-faceted thought leadership initiative designed to engage the private sector in advancing and achieving sustainable development by improving sustainability strategy, increasing credibility and delivering results at greater speed and scale.

We thank Presenting Sponsors BMW Group and SC Johnson, and Sponsors Cisco, DuPont, Interface and Pfizer for their support of the Regeneration Roadmap as well as Campbell Soup Company, Itau, L'Oréal, Shell and Starbucks for their direct support of the Regeneration Consumer Study.

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Introduction

Twenty years after the first Rio Earth Summit, the global economy and natural environment face unprecedented stresses as scarce resources are stretched to meet growing needs.

Economists brace for “peak everything” and “the end of growth” while citizens around the world question ways of doing business that prioritize short-term, transactional, profit-only thinking over long-term, transparent and trusted relationships that drive shared value.

Global challenges persist from climate change and safe drinking water to jobs, health and education, while demographers expect profound social and environmental impacts as two billion more people will live on the planet by 2050.

Amidst all this, new research with over 6,000 consumers across six countries provides evidence that a new marketplace is rising. That attitudes and behaviors are shifting. That opportunities for collaboration are expanding. And that a new cadre of enterprising brands is seizing the moment to innovate smarter, safer, cleaner and greener solutions.

As mission-driven brands focus on taking sustainability to scale and the largest corporations leverage their capabilities to advance sustainability, the role of consumers has never been more important — not as passive targets of the latest marketing promotion, but as the greatest potential force for value generation and change.

While significant barriers to more sustainable consumption remain – from perceptions of product performance, to high prices, skepticism about product claims and a lack of knowledge about what makes a product socially or environmentally responsible – there are pathways to progress.

Like never before, consumers are uniting deeply held principles with everyday pragmatism, demonstrating a sense of purpose with more active participation to help create solutions that can improve their own lives while creating a more sustainable economy that can benefit all.

Consumers are Re:THINKING consumption, Re:DEFINING success and Re:IMAGINING the future of a more sustainable economy.

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Summary of Key Findings

- **Rethinking Consumption: Consuming Less. Consuming Better.** Nearly two-thirds of respondents across six markets (66%) say that "as a society, we need to consume a lot less to improve the environment for future generations," and 65% say they feel "a sense of responsibility to purchase products that are good for the environment and society."

- **New Demands and Opportunities in Emerging Markets.** Consumers in developing markets (Brazil, China, India) are more than twice as likely as their counterparts in developed markets (Germany, United Kingdom, United States) to report that they purchase products because of environmental and social benefits (51% to 22%), are willing to pay more for sustainable products (60% to 26%) and encourage others to buy from companies that are socially and environmentally responsible (70% to 34%).

- **Perceptions of Price, Performance and Credibility Critical to Driving Sustainable Consumption.** A majority of consumers globally agree or strongly agree that they would "purchase more products that are environmentally and socially responsible" if they "performed as well as, or better than, products they usually buy" (75%), "it didn't cost more" (70%), and "companies' health and environmental claims were more believable" (64%).

- **Sharing Responsibility for a Shared Future.** Three in four respondents globally say that government (76%), businesses (74%) and consumers (74%) should be very or extremely responsible for "working to improve the environment and society for future generations," with two-thirds of respondents globally (65%) saying they personally "feel a sense of responsibility to society."

- **Requiring Action: Top Issues for Companies to Address Include Water, Health, Fairness and Jobs.** Nine in 10 consumers globally (92%) say it is very or extremely important for companies to address "safe drinking water" as part of their products, services or operations, followed by health care (87%), fair wages and safe working conditions (87%), jobs and economic opportunity (86%) and waste reduction (86%).

- **Collaboration and Participation: Being Part of the Solution.** Two-thirds of consumers globally (67%) are "interested in sharing their ideas, opinions and experiences with companies to help them develop better products or create new solutions," while seven in ten consumers globally (72%) "believe in voting and advocating for issues important to me."

- **The Dynamics of Happiness: Balancing Relationships, Time and Passions with Income and Material Possessions.** While consumers across all markets overwhelmingly say "friends and family are the most important thing in life" (85%), consumers in developing markets are more than twice as likely as those in developed markets to prioritize "time with people and projects I care about" over income (62% to 28%, respectively). Conversely, consumers in developing markets are also more than twice as likely to say "having a lot of material possessions is important to my happiness," (49% to 23%, respectively).

- **Consumer Segmentation: From Advocates to Indifferents.** Advanced statistical modeling reveals four consumer segments on the sustainability spectrum, from highly committed Advocates (14%) to style and social status-seeking Aspirationals (37%), to price and performance-minded Practicals (34%) and less engaged Indifferents (16%), providing a rich understanding of consumer values, motivations and behaviors as well as insights and opportunities for engagement and action.

- **Aspirationals Offer Key to Sustainable Consumption.** Importantly, the largest consumer segment, the Aspirationals, is seeking both sustainability and consumption. They are looking for brands to provide solutions that both improve their lives and serve the larger society. And, because they are trendsetters in emerging markets like China and India, we believe business has the opportunity to shape a new consumerism by meeting their aspirations and desires with more sustainable products and lifestyle choices.

- **Implications and Opportunities for Action.** Finally, building on our consumer segmentation analysis, the concluding section of the study explores the tension between material possessions and social and environmental progress – a dynamic that we believe provides the greatest opportunity for companies to advance sustainable consumption and create positive social impact through their practices. We outline five implications and action steps to advance a more sustainable economy, including opportunities for product innovation, transparent communication, social networking and consumer collaboration.

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RE:THINK

RESPONSIBILITY, LEADERSHIP AND TRUST

RE: THINK

Responsibility for Leadership

No one sector owns the responsibility for working to improve the environment and society for future generations. Three in four consumers see this as a shared obligation among government, the private sector and consumers.

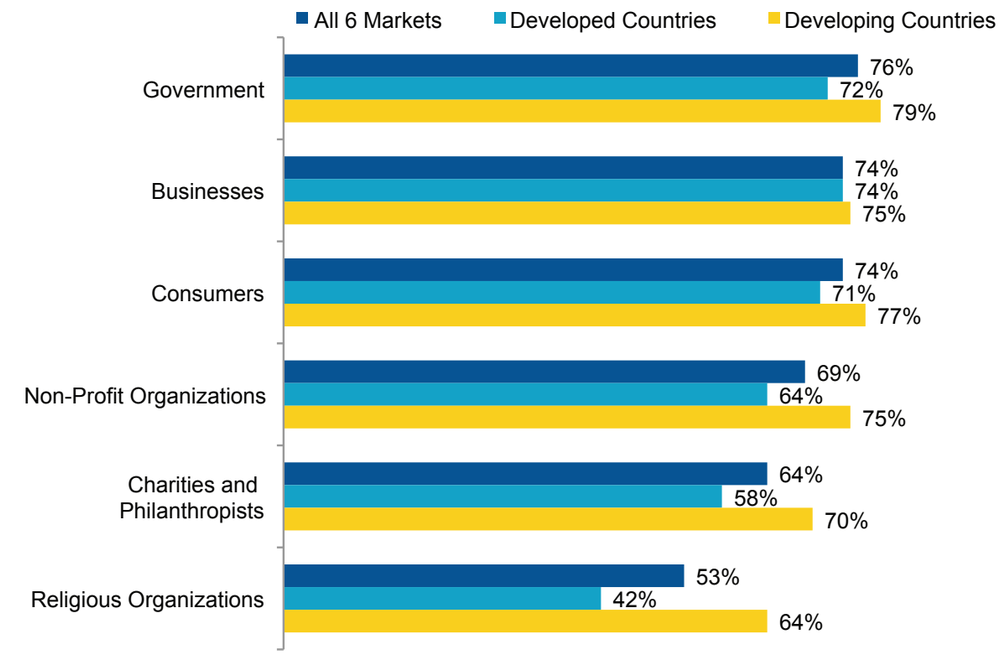
Each sector's role, though, is different. For governments, it's largely focused on policies designed to limit negative impacts while encouraging socially and environmentally responsible development.

In the private sector, it's about setting and achieving goals that make both products and operations better for people and the planet. And many consumers see themselves and other individuals as part of this equation through the purchase of environmentally friendly and ethical products and by taking actions that reduce their own environmental impact.

Many see important supporting roles for other organizations as well – NGOs and non-profits that create specific programs addressing environmental protection; charities and philanthropies that fund such programs and initiatives; and the faith community, by sharing information and encouraging responsible actions and beliefs among their congregations.

All sectors share responsibility for building a sustainable future.

Sector Responsibility



Note: 1=not responsible at all, 5=extremely responsible
% who chose 4 or 5 shown
Question 12: How responsible should each of the following groups be in working to help improve the environment and society for future generations?

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RE: THINK

Corporate Leaders and Laggards

Consumers see leadership in the technology sector and have mixed perceptions of the food, beauty, pharmaceutical and chemicals industries.

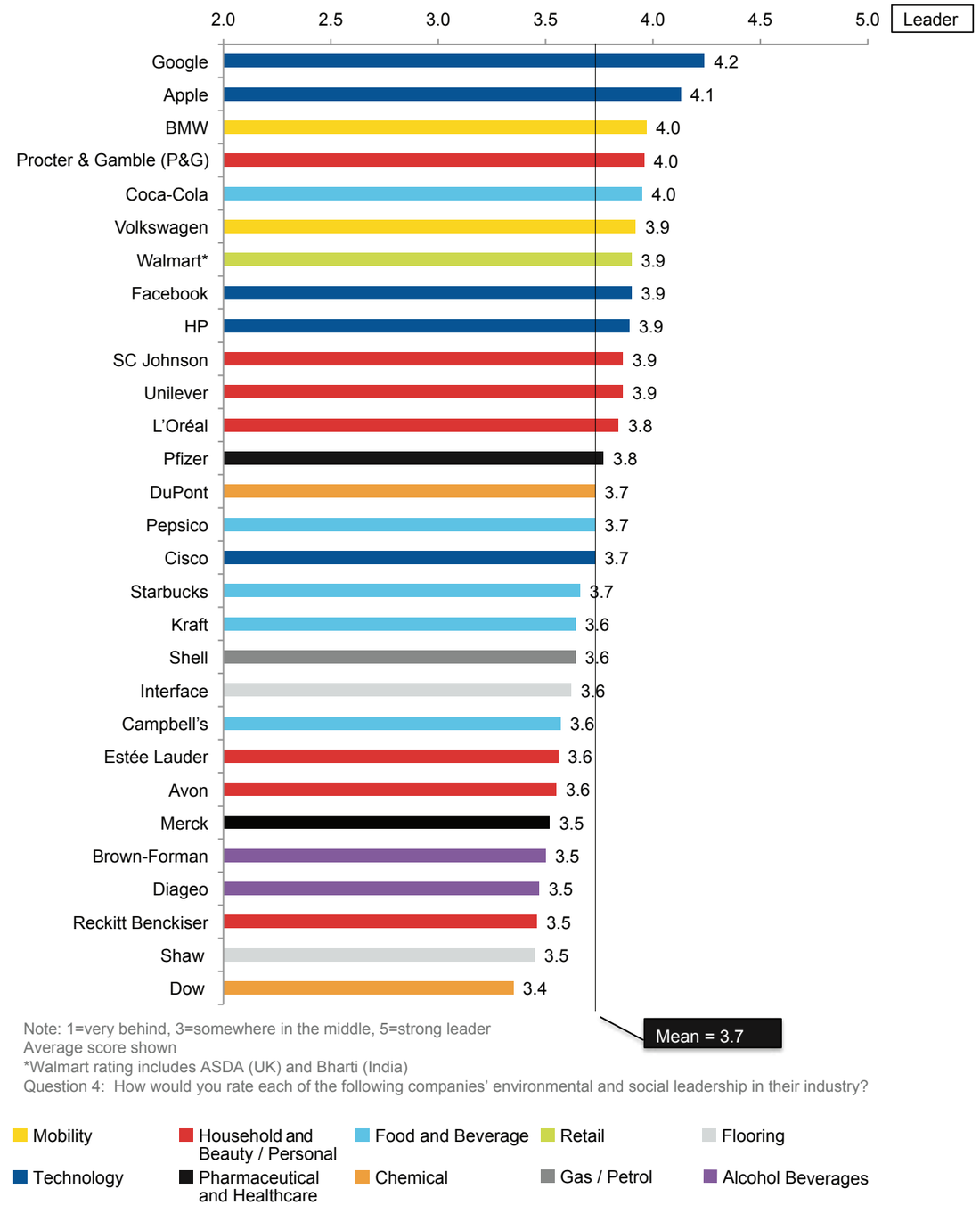
How do consumers rate the environmental and social leadership of companies within their respective sectors? From an industry perspective, some may have a more positive halo than others: technology, automotive and retail companies are all rated above the average. Those in alcohol beverages, gas/petrol and flooring fall below average. In the remaining sectors, consumer rankings of companies are as likely to be above the average as below.

All five technology companies included in the study garner scores at or above the overall average, led by Google (average score = 4.2), and closely followed by Apple (4.1).

Coca-Cola leads the food and beverage sector (4.0), followed by PepsiCo (3.7), Starbucks (3.7), Kraft (3.6), and Campbell's (3.6). Like the food and beverage industry, scores in the household and personal/beauty sector fall within a fairly tight range, led by Procter & Gamble (4.0), SC Johnson (3.9), Unilever (3.9) and L'Oréal (3.8), followed by Esteé Lauder (3.6), Avon (3.6) and Reckitt Benckiser (3.5).

Variable ratings within industry sectors are found within pharmaceuticals and chemicals, with ratings of Pfizer (3.8) outperforming Merck (3.5), and Dupont (3.7) besting Dow (3.4), the lowest rated among the 29 companies measured across all six markets.

Brand Leaders and Laggards (All 6 Markets)



Note: 1=very behind, 3=somewhere in the middle, 5=strong leader
Average score shown
*Walmart rating includes ASDA (UK) and Bharti (India)
Question 4: How would you rate each of the following companies' environmental and social leadership in their industry?

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RE: THINK

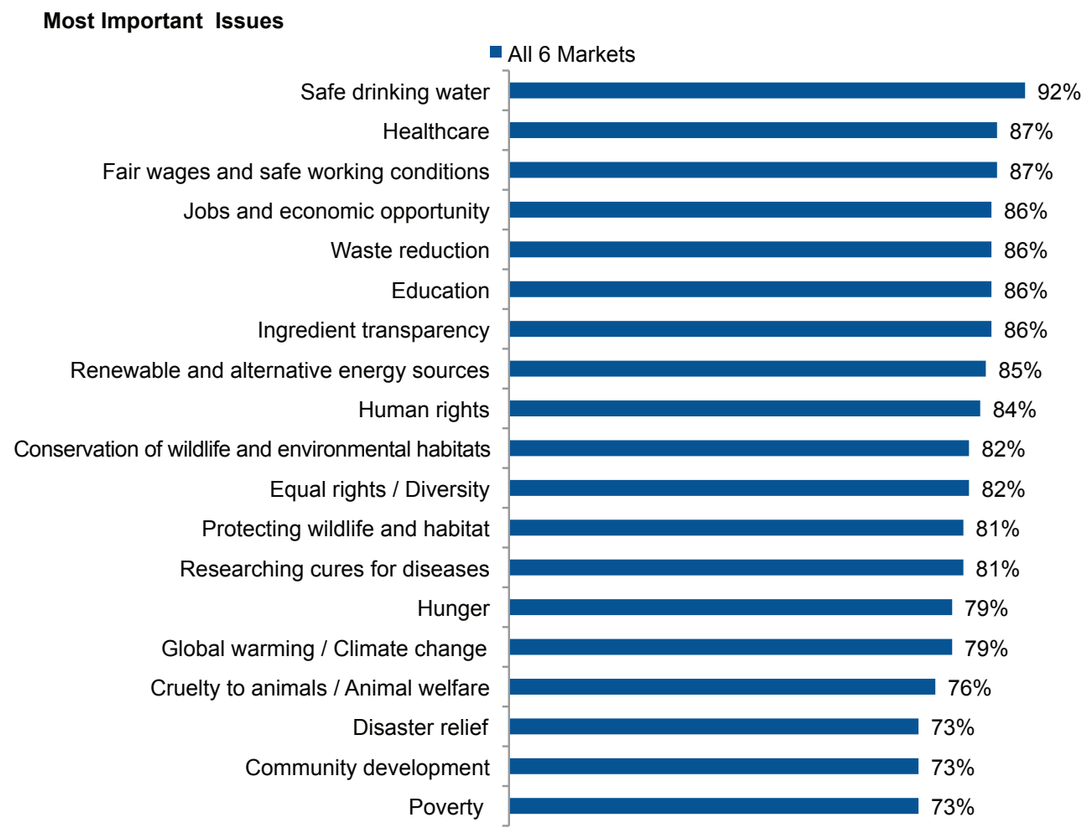
Most Important Issues

When asked about the social and environmental issues that are very or extremely important for companies to address as part of their products, services or operations, there's universal agreement on the top priority: safe drinking water. This is true in every country surveyed, with 93% of respondents in developing markets and 90% of those in developed markets saying so.

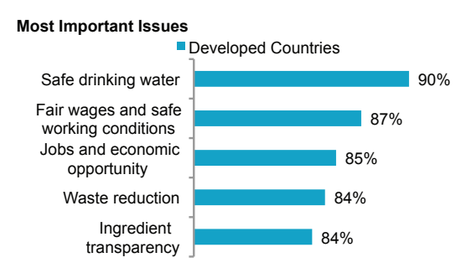
Water safety is closely followed by healthcare (87%), fair wages and safe working conditions (87%), jobs and economic opportunity (86%), waste reduction (86%) and education (86%). There is a fair amount of consistency across countries around these issues as the top priorities. Healthcare is number two in line in developing countries, while in developed countries this is edged out by fair wages and safe working conditions.

The lowest priority for each country differs considerably, however. In the United States, climate change and community development are at the bottom of the list (65% rated these as very or extremely important). Germany also places community development last in line (67%), though climate change ranks higher there than in the US (81% vs. 65%). For the United Kingdom, disaster relief ranks last (56%). For India, it is animal welfare (77%) and for China it is poverty (61%).

Safe drinking water is consumers' top priority.



Note: 1=not at all important, 5=extremely important
% who chose 4 or 5 shown
Question 13: How important is it for companies to help solve each of the following?



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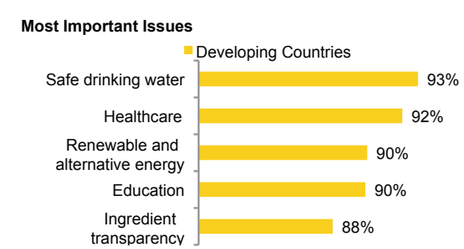

Note: 1=not at all important, 5=extremely important
% who chose 4 or 5 shown
Question 13: How important is it for companies to help solve each of the following?

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RE: THINK

The Source of Trust

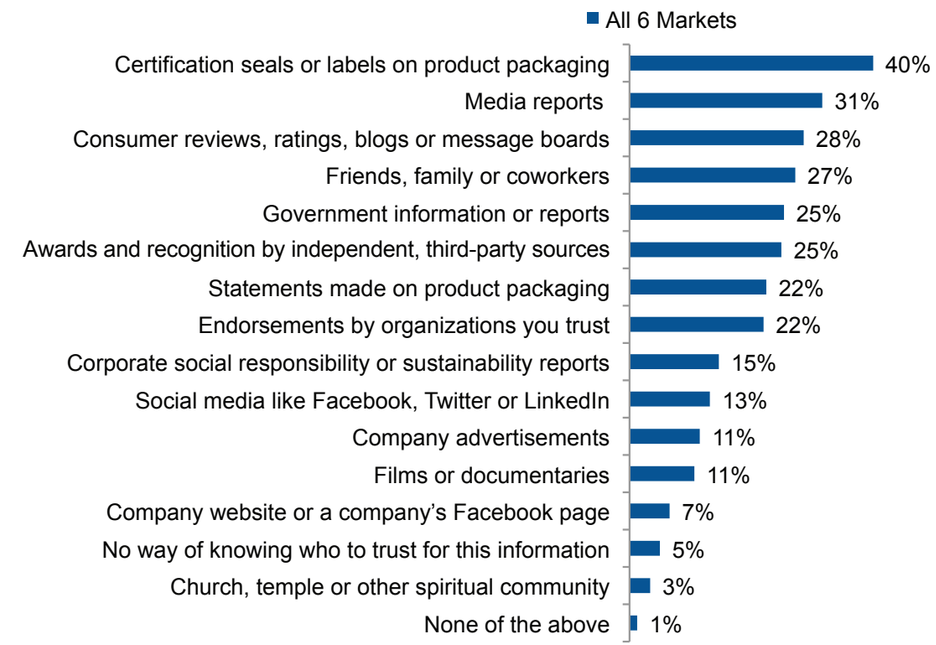
The most trusted sources are certification seals, media reports and consumer reviews.

Consumers across all six markets look to certification seals or labels on product packaging (40%) as the most trusted source of information about whether a product is environmentally and socially responsible, followed by media reports (31%), consumer reviews and ratings (28%), friends, family or coworkers (27%) and government information and reports (27%). Certifications are ranked highest by consumers in developed countries (43%), while those in developing markets list media reports (37%) as their most trusted source.

Consumers in developing markets are four times as likely to trust "social media like Facebook, Twitter and LinkedIn" as consumers in developed markets (22% to 5% respectively). Similarly, consumers in developing markets are twice as likely to trust "CSR Reports" than their counterparts in developed markets (20% to 9%). By contrast, consumers in developed markets are twice as likely to turn to "endorsements by organizations you trust" (29% to 15%).

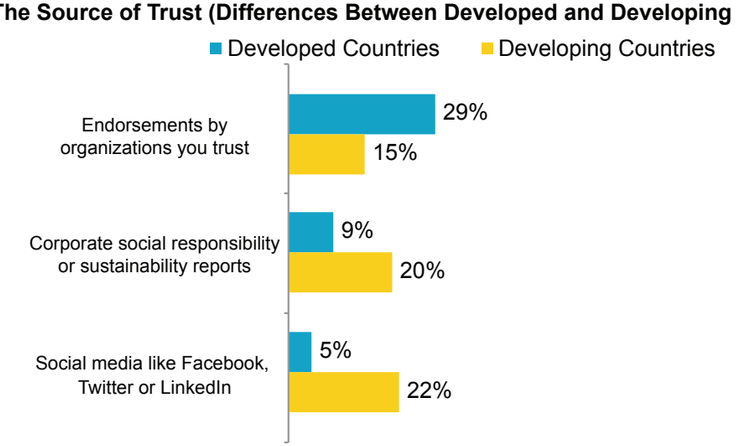
Least trusted? Traditional company communications. Barely one in ten consumers rely on company advertisements or website content, reinforcing the perception that the most reliable claims often come from sources largely beyond a company's control. Surprisingly, only 5% of consumers say they have "no way of knowing who to trust for this information," signaling confidence in their ability to access information about products.

The Source of Trust



Note: Among respondents' top 3 choices
Question 9: Which of the following sources do you trust to inform you about whether a product is environmentally and socially responsible?

The Source of Trust (Differences Between Developed and Developing Countries)



Note: Among respondents' top 3 choices
Question 9: Which of the following sources do you trust to inform you about whether a product is environmentally and socially responsible?

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RE: DEFINE

PRIORITIES, PREFERENCES AND BEHAVIORS

RE: DEFINE

Motivations for Switching Brands

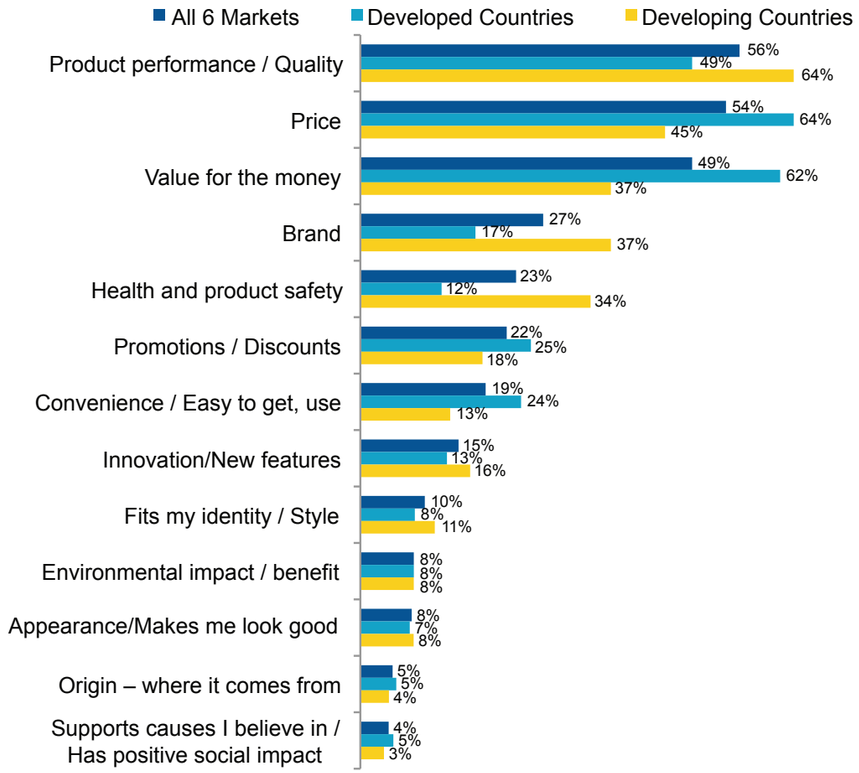
The consumer trial trifecta of quality, price and value holds true across all six markets and in both developed and developing markets, where half or more say these attributes are among the top factors influencing them "to try something different from their usual brand."

Yet this initial similarity across markets masks more fundamental differences about what consumers value in making purchase decisions. Consumers in developed markets are more likely than their peers in developing markets to see price (64% to 45%), value for the money (62% to 37%), promotions/discounts (25% to 18%) and convenience (24% to 13%) as factors driving trial of new products, while consumers in developing markets are more likely to seek product performance/quality (64% to 49%), brand (37% to 17%) and product health and safety (34% to 12%).

Consumers are least likely to name "origin – where it comes from" (5%) and "supports causes I believe in / has a positive social impact" (4%) as motivations for switching brands.

Consumers decide whether to try new products and services based on perceptions around quality, value, brand and safety.

Motivations for Switching Brands



Note: Among respondents' top 3 choices
Question 2: When you make or influence purchase decisions, which of the following factors would you say most influence you to try something different from your usual brand?

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RE: DEFINE

Sustainable Consumption

A majority of consumers across all six markets say "as a society, we need to consume a lot less to improve the environment for future generations."

The very concept of "sustainable consumption" holds an inherent tension driven by impacts from each product's development, dissemination, use and disposal on one hand, and market pressure for ever increasing sales volume and scale on the other. Will buying greater numbers of more sustainable products make a difference, or is the solution fundamentally about buying less? It's a conundrum experienced by many consumers who aspire to practice more responsible purchasing behavior, and the dynamic plays out differently in established markets relative to those in emerging countries where consumers are entering the modern marketplace for the first time.

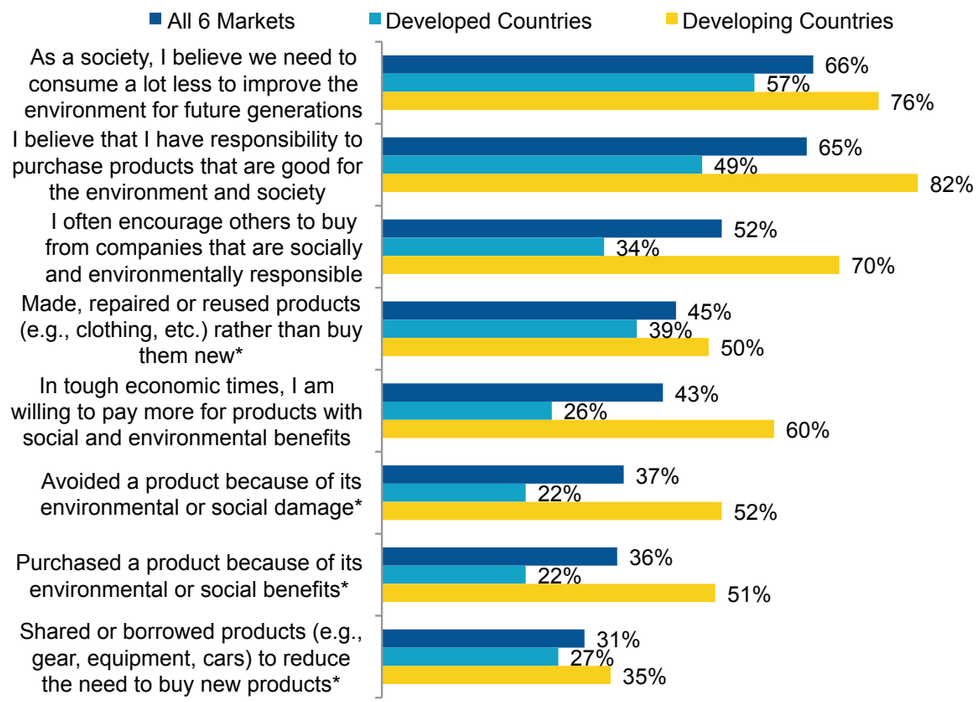
A majority of respondents across all six markets say that "as a society, we need to consume a lot less to improve the environment for future generations," including 66% overall, 76% in developing markets and 57% in developed markets saying this describes or completely describes them.

Yet respondents in developing markets are significantly more likely to feel a sense of "responsibility to purchase products that are good for the environment and society," compared to those in developed markets (82% to 49%, respectively). Similarly, six in ten consumers in developing markets are "willing to pay more for products with social and environmental benefits," compared to the one-fourth of consumers in developed markets willing to do so (60% to 26%, respectively).

Interestingly, the study illuminates emerging trends toward alternatives to consumption, including "making, repairing or reusing products rather than buying them new," with 45% of respondents globally, 50% in developing markets and 39% in developed markets saying they do this most or all of the time.

The data suggest that trends toward sustainable consumption are likely to be influenced by consumers in emerging markets, with the opportunity to leapfrog barriers and challenges that have been experienced in more developed markets.

Sustainable Consumption



Note: 1=does not describe me at all, 5=completely describes me,% who chose 4 or 5 shown
Question 7; Thinking about things that are important to you, and those that are less important, how well does each of the following phrases describe you?
1=never done, 5=do it all the time, % who chose 4 or 5 shown
*Question 8: Please indicate how often you have done each of the following in the past year.

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RE: DEFINE

Sustainable Behaviors

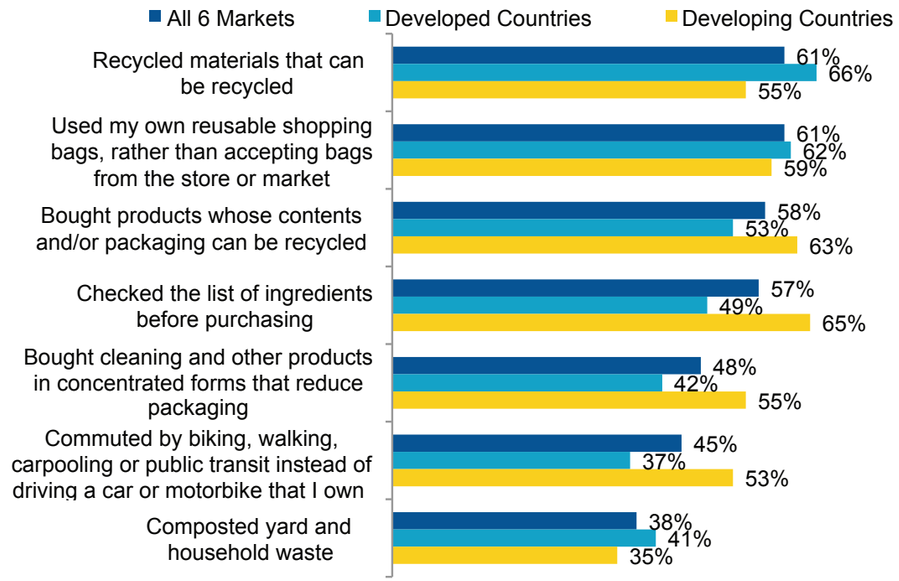
The two most common sustainable behaviors among all consumers surveyed are recycling and using reusable shopping bags. Six in ten consumers (61%) say they "recycle materials that can be recycled" and "use my own reusable shopping bags rather than accepting bags from the store or market" on a regular basis, followed by buying "products whose contents and/or packaging can be recycled" (58%), and "checking the list of ingredients before purchasing" (57%).

Consumers in developing markets are more likely to adopt sustainable behaviors than their counterparts in developed markets, including checking the list of product ingredients (65% vs. 49%), green commuting, where they are more than 50 percent more likely to say they commute by bike, foot, public transit or carpool than drive alone (53% vs. 37%), and seeking products in concentrated forms that reduce product packaging (55% vs. 42%).

The least common behavior overall and in both emerging and established markets is composting, with only 38% of all respondents doing so on a regular basis.

Consumers in developed markets are most likely to recycle, while those in developing markets are checking the list of product ingredients before buying.

Sustainable Behaviors



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% who chose 4 or 5 shown
Question 8: Please indicate how often you have done each of the following in the past year.

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RE: DEFINE

Barriers and Levers to Sustainable Purchasing

Perceptions of high prices, low performance and skepticism about product claims undermine the growth of sustainable consumption.

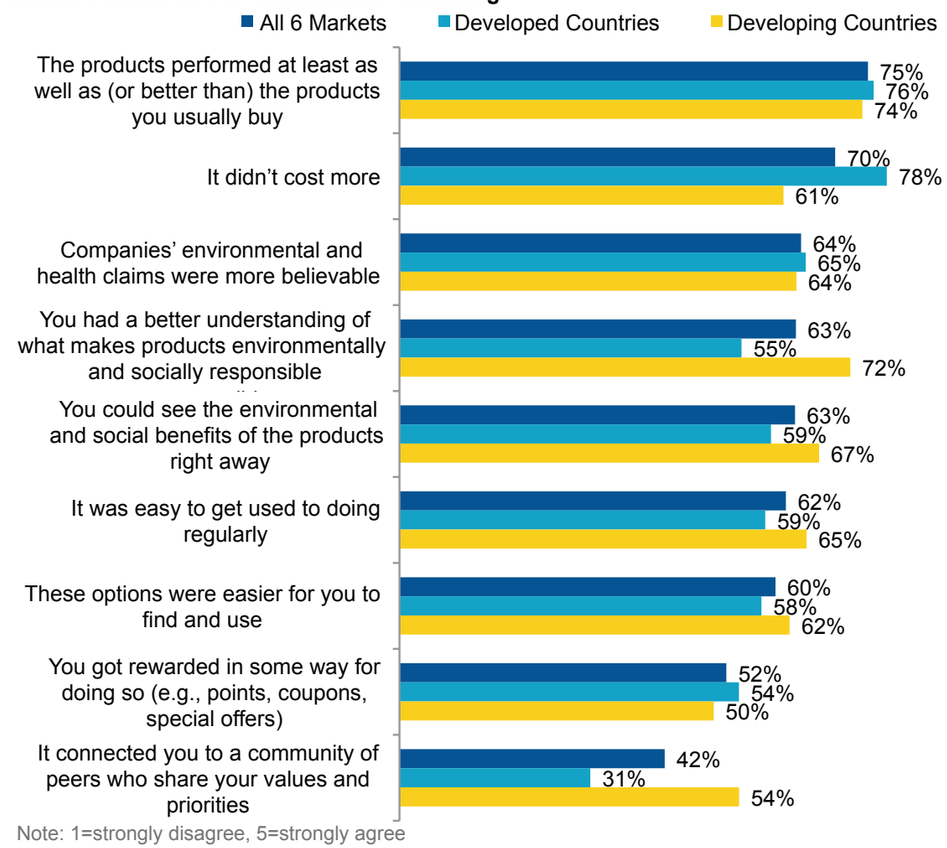
How can brands overcome common barriers to purchasing more sustainable products?

A majority of consumers globally agree or strongly agree that they would "purchase more products that are environmentally and socially responsible" if they "performed as well as, or better than, products they usually buy" (75%), "it didn't cost more" (70%), "companies' health and environmental claims were more believable" (64%), they "had a better understanding of what makes products environmentally or socially responsible" (63%), or they "could see environmental or social benefits of the products right away" (63%).

Price is the top barrier to green purchasing in developed markets, with 78% agreeing or strongly agreeing that they would "purchase more products that are environmentally and socially responsible" if "it didn't cost more," compared with 70% of respondents globally and only 61% of respondents in developing markets saying so. For consumers in developing markets, product performance (74%) is the top barrier along with a lack of "understanding about what actually makes products socially and environmentally responsible" (72%).

Interestingly, brand-associated communities may be an emerging motivation for sustainable purchases, with more than half (54%) of consumers in developing markets saying they agree or strongly agree that they would purchase more green products if "it connected them to a community of peers who share their values and priorities," compared to 42% of global respondents and 31% of respondents in developed markets saying so.

Barriers and Levers to Sustainable Purchasing



Note: 1=strongly disagree, 5=strongly agree
% who chose 4 or 5 shown
Question 10: You would purchase more products that are environmentally and socially responsible if...

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RE:NEW

HAPPINESS, COLLABORATION AND PARTICIPATION

RE: NEW

The Dynamics of Happiness

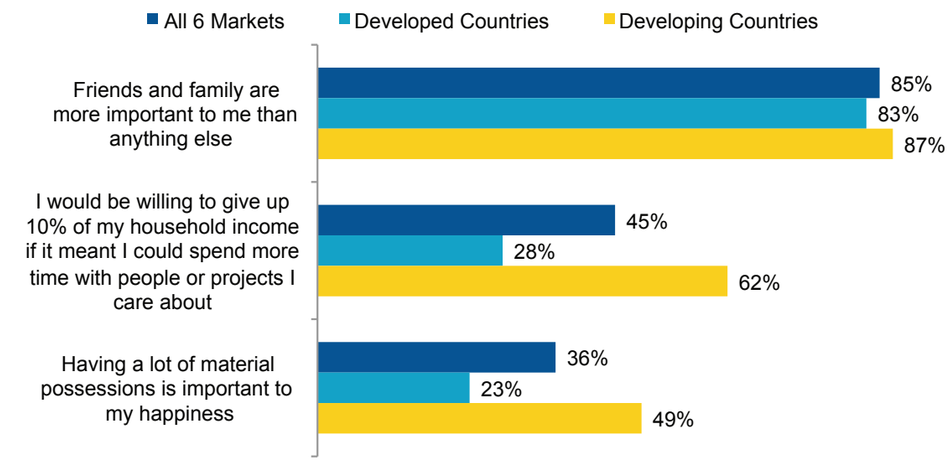
Social relationships are a universal value for consumers, with more than eight in ten consumers across all six countries surveyed saying that "friends and family are the most important thing in life" (85%), a belief shared across developed (83%) and developing (87%) markets.

However, differences in priorities across markets are clear, with consumers in developed markets prioritizing income and those in developing markets prizing time. Indeed, six in ten (62%) consumers in developing markets say they would be willing to "give up 10% of their household income if it meant spending more time with people and projects they care about," which is more than twice the number in developed markets (28%) to say so.

Aspirations for material goods also divide consumers in different markets, with nearly half of consumers in developing markets (49%) saying that "having a lot of material possessions is important to my happiness," while only one-fourth (23%) of consumers in developed markets say so. Consumers in developing markets are also more likely to say "shopping for new things makes me happy" than those in developed markets (77% to 48%, respectively).

Consumers across markets balance relationships, time and passions with income and material possessions in different ways in their pursuit of happiness.

The Dynamics of Happiness



Note: 1=does not describe me at all, 5=completely describes me
% who chose 4 or 5 shown
Question 7; Thinking about things that are important to you, and those that are less important, how well does each of the following phrases describe you?

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RE: NEW

Collaboration and Participation

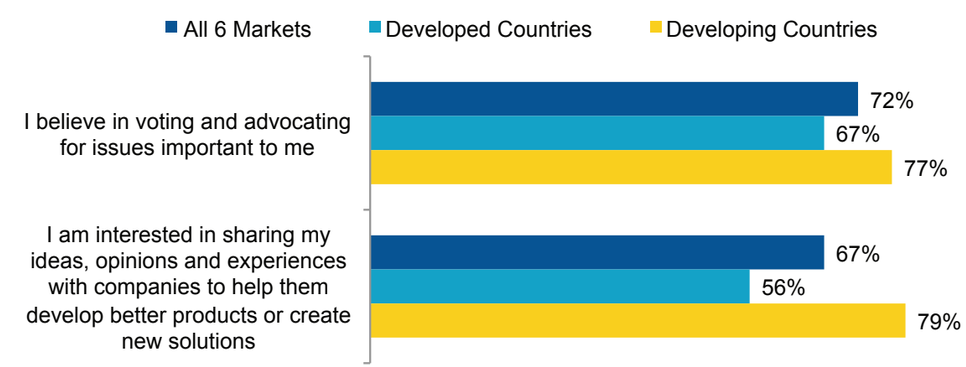
Consumers are ready to be part of the solution. Two-thirds of consumers globally (67%) say they are "interested in sharing their ideas, opinions and experiences with companies to help them develop better products or create new solutions," with consumers in developing markets more likely to say so (79%) than those in developed markets (56%).

Respondents across all markets are also eager to participate by taking action on the issues they care about. Indeed, seven in ten consumers (72%) globally "believe in voting and advocating for issues important to me," a belief shared by consumers in both developing (77%) and developed (67%) markets. Interestingly, Chinese consumers (80%) are the most likely to say so.

And in emerging markets, a number of consumers are raising their voices to shape the conversation. Nearly one-third of consumers in developing markets (29%) post content "about environmental and social issues and causes" at least once a day, compared with only 8% of consumers in developed markets who do so.

Consumers are interested in sharing their ideas and experiences to shape new solutions.

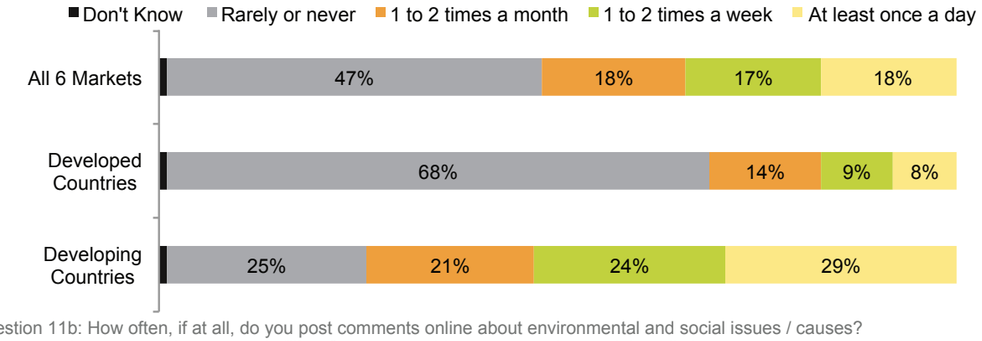
Collaboration and Participation



Note: 1=does not describe me at all, 5=completely describes me
% who chose 4 or 5 shown

Question 7; Thinking about things that are important to you, and those that are less important, how well does each of the following phrases describe you?

Posting Comments Online about Environmental and Social Issues / Causes



Question 11b: How often, if at all, do you post comments online about environmental and social issues / causes? (These may be status updates, tweets, "likes," comments, blog posts or other social media.)

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RE: NEW

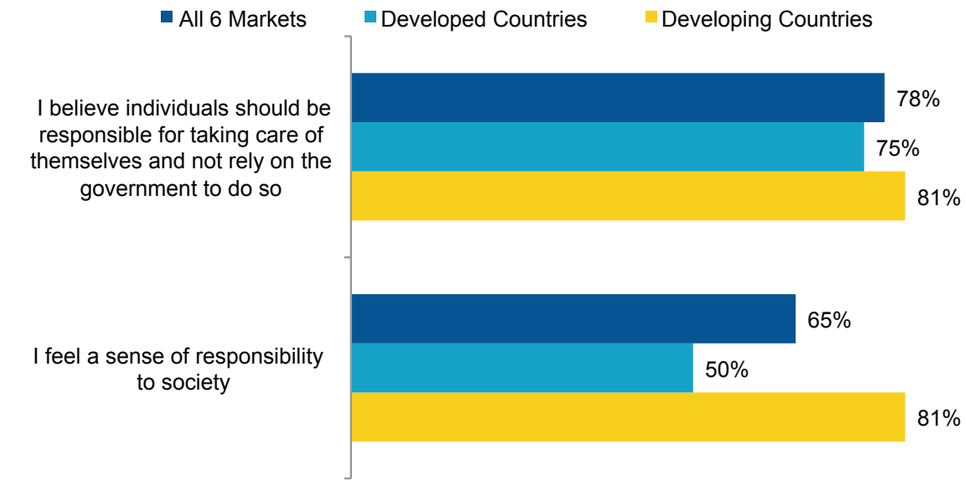
Individualism and Shared Responsibility

Across all markets, there's widespread belief in individualism, with more than three-fourths of respondents (78%) saying "that individuals should be responsible for taking care of themselves and not rely on the government to do so."

This belief does not undermine a collective sense of responsibility, however, as a majority of respondents globally (65%) say they "feel a sense of responsibility to society," with consumers in developing markets being much more likely to say so than their peers in developed markets (81% to 50%, respectively).

Consumers globally believe in individual responsibility, while developing markets are more likely to feel a sense of responsibility to others.

Individualism and Shared Responsibility



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% who chose 4 or 5 shown
Question 7; Thinking about things that are important to you, and those that are less important, how well does each of the following phrases describe you?

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RE:ENGAGE

CONSUMER SEGMENTS FROM ADVOCATES TO INDIFFERENTS

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Consumer Segmentation

Based on advanced statistical modeling, our research reveals four consumer segments on the sustainability spectrum, from highly committed **Advocates** (14%) to style and social status seeking **Aspirationals** (37%), to price and performance-minded **Practicals** (34%) and less engaged **Indifferents** (16%). Exploring the differences among them provides a rich understanding of evolving consumer values, motivations and behaviors as well as insights and opportunities for engagement and action.

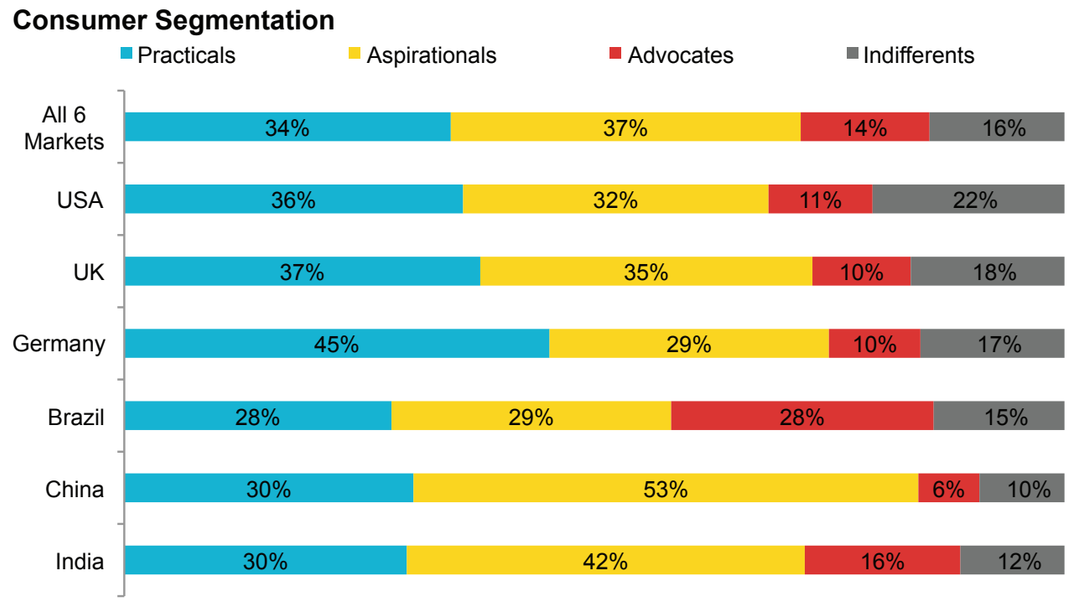
Across all markets, Aspirationals count for the greatest number of consumers (37%), followed by Practicals (34%), Indifferents (16%) and Advocates (14%).

Of markets surveyed, the country with the most Advocates is Brazil (28%), followed by India (16%), the United States (11%), the United Kingdom (10%), Germany (10%) and China (6%)

China has the most Aspirational consumers, with more than half (53%) falling in this category, followed by India (42%), the United Kingdom (35%), the United States (32%), Brazil (29%) and Germany (29%).

The most Practical consumers are in Germany (45%), followed by the United Kingdom (37%), the United States (36%), China and India (both with 30%) and Brazil (28%).

Finally, the United States has the most Indifferent consumers (22%), followed by the United Kingdom (18%), Germany (17%), Brazil (15%) India (12%) and China (10%).



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Advocates

The smallest segment across the six markets surveyed, Advocates have been around for a while – they have been the traditional locus of sustainable consumerism with their willingness to pay extra for socially and environmentally responsible solutions. They often believe that others should follow their example, though they are not always optimistic that others actually will.

86% of Advocates believe they have a "responsibility to purchase products that are good for the environment and society."

Advocates are motivated by a belief that sustainable consumption and social action are "the right thing to do," and they sometimes feel a sense of guilt about their own personal impact on the environment and society.

They are fact seekers, as they want to have confidence that the products they buy are truly beneficial, and they are more likely to reward or punish retailers and manufacturers according to their practices.

Though relatively small in size, they have the potential to disproportionately influence others by taking action on issues and causes they care about and using social media to share their opinions.

An opportunity for brands, Advocates are more likely than any other group (81%) to be interested in sharing their ideas and experiences to help companies develop better products and advance new solutions.

This segment can also represent a risk to companies. They are informed, skeptical and vocal, so questionable claims made to this group can have severe ramifications.

DEMOGRAPHIC PROFILE:

- 48% Male / 52% Female
- 27% are Millennials
- 38% have a child under 17 years
- Least likely to be retired (13%)
- More urban (52% live in a major city)

Advocates Snapshot

Global Size of Segment	14%	
Largest Country Presence	Brazil	28%
Smallest Country Presence	China	6%
Key Motivator	**Responsibility and guilt**	59% feel guilty about their own impact on the environment
Core Value	**It's worth paying for**	61% are willing to pay more for products with social and environmental benefits
Important Lever	**Knowledge of positive impact**	74% would buy more socially and environmentally responsible products if they were convinced they had positive impact
Signature Behavior	**Rewarding and punishing brands based on practices**	52% have avoided purchasing a product because of its environmental impact; 49% have bought products because of their environmental benefits
Trusted Sources (in addition to certifications)	**Consumer reviews, packaging statements**	26% trust consumer reviews and ratings to provide information on product sustainability, 25% trust statements on product packaging
Influence Potential	**High**	59% use social media regularly, 25% have blogged and/or been vocal about an environmental issue and 74% encourage others to buy responsibly

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Aspirationals

More than any other segment, Aspirationals care about style (65%), social status (52%), and equate shopping with happiness (70%). Yet, they are also among the most likely to believe that we need to "consume a lot less to improve the environment for future generations" (73%), highlighting the gap between aspirations and action.

The largest consumer segment, Aspirationals show up in the greatest numbers in the two largest developing markets, India and China. These consumers are "the persuadable middle," as they are materialistically oriented while at the same time aspiring to be sustainable in their purchases and beliefs. Style is important to them, and they are more likely than any other group to be influenced by brands, to try new things and they love to shop.

Aspirationals actively seek information from online social networks as well as from family and friends, and they indicate they would increase sustainable purchasing if doing so helped them connect to a community of peers that shares their values.

They expect companies to give them confidence that purchasing sustainable products is the better thing to do – and if not convinced, they may go for more traditional options.

Aspirationals are the most important segment in which to enable advances in sustainable consumption, not only because of their overall size (and presence in developing markets) but also because they honestly want to purchase with a purpose. However, their materialism can create challenges due to increasing consumption volumes. Success in moving this group toward sustainability may require redefining measures of satisfaction and creating new business models that deliver value with fewer impacts, such as providing services rather than products.

Barriers to action for this group include lack of knowledge about products' sustainability benefits and lack of trust in green claims. They want to connect with people through brands, so companies should consider social branding initiatives rather than push advertising or other traditional efforts to overcome credibility issues.

DEMOGRAPHIC PROFILE:

- Male 49% / Female 51%
- 26% are Millennials
- Most likely to have a child under 17 years (40%)
- 14% are retirees
- Most urban (54% live in a major city)

Aspirationals Snapshot

Global Size of Segment	37%	
Largest Country Presence	China	53%
Smallest Country Presence	Germany, Brazil	29%
Key Motivator	**Style**	65% care a lot about how they look
Core Value	**Product efficacy**	82% would buy more sustainable products if they performed comparable to and/or better than their usual brand
Trusted Sources (in addition to certifications)	**Consumer reviews, Friends and family**	32% trust consumer reviews and ratings to provide information on product sustainability; 28% trust friends, family or coworkers
Important Lever	**Community of peers**	53% would buy more sustainable products if this connected them to a community of peers with shared values
Signature Behavior	**Shopping**	70% say "shopping for new things makes me happy"
Influence Potential	**High**	58% use social media regularly, 27% have blogged and/or been vocal about an environmental issue and 52% say others seek their recommendations

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Practicals

52% of Practicals say they'd buy more sustainable products if they "got rewarded in some way for doing so."

The second largest segment globally, Practicals' impact comes both from their relatively large size and the likelihood that they are tipping-point consumers when trends hit scale. They are laggards in purchasing more sustainable products, and they are driven by proven performance.

Practicals are discouraged by high prices, so rewards or promotions may be a way to introduce them to new products and behaviors. They are more likely than others to trust consumer reviews and ratings, as they are generally skeptical of companies' social and environmental claims, which may lead to perceptions of greenwashing (although they would not necessarily know the term).

For Practicals, social and environmental benefits are viewed as add-ons, not core to the value proposition. They are not averse to sustainability messages. Indeed, 60% recycle regularly. They're just not seeking sustainable options and aren't likely to take time to learn more.

Companies should consider Practicals a third priority, after Advocates (early adopters) and Aspirationals (persuadable green purchasers), because Practicals will mostly follow the sustainable behaviors of these other groups as trends become more mainstream.

DEMOGRAPHIC PROFILE:

- Male 49% / Female 51%
- 29% are Millennials
- 33% have a child under 17 years
- More likely than other segments to be retired (18%)
- Less urban (57% live in a suburb, small town or rural area)

Practicals Snapshot

Global Size of Segment	34%	
Largest Country Presence	Germany	45%
Smallest Country Presence	Brazil	28%
Key Motivator	Product efficacy	78% would buy more sustainable products if they performed comparable to and/or better than their usual brand
Core Value	Credibility, proof	68% would buy more sustainable products if the companies' claims were more believable; 67% say they would buy more if they could see immediate impact
Important Lever	Rewards, promotions	52% say they would buy more if they were rewarded for doing so
Trusted Sources (in addition to certifications)	Consumer reviews, government publications	28% trust consumer reviews and ratings to provide information on product sustainability; 27% trust government information or reports
Signature Behavior	Recycling	59% say they recycle regularly
Influence Potential	Moderate	13% post online

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Indifferents

71% believe individuals should be responsible for taking care of themselves and not rely on the government to do so.

Globally this segment is the least likely to engage in the sustainable economy. Only 16% of consumers across markets fall into this group and their skepticism about sustainability provides a barrier to action. Indifferents are the least likely to feel a sense of responsibility to society and only one in four say they feel guilty about their own impact on the environment.

They look to word of mouth from trusted people as the most likely source of information on product sustainability (after seals and certifications), and more than most, they prize convenience in making purchase decisions. Like Practicals, they are skeptical about green claims and they don't place a high priority on purchasing products due to social or environmental benefits.

They are the least likely of any segment to be the first to try new things or be a source of recommendations to others. And, true to their name, Indifferents are more likely to say "there is very little individuals can do" to reduce environmental pollution (35%), and they tend to believe that people "exaggerate the seriousness of environmental problems" (36%), leaving them dubious of climate change as an issue that businesses should address.

DEMOGRAPHIC PROFILE:

- Male 56 % / Female 44%
- 30% are Millennials
- 33% have a child under 17 years
- More likely than other segments to be retired (18%)
- Least urban (60% live in a suburb, small town or rural area)

Indifferents Snapshot

Global Size of Segment	16%	
Largest Country Presence	USA	22%
Smallest Country Presence	China	10%
Key Motivator	Convenience	20% say "convenience" is important for making changes in product purchase decisions
Core Value	Individualism	Only 44% feel a sense of responsibility to society
Important Lever	Word of mouth	75% say friends and family are important
Trusted Sources (in addition to certifications)	Friends and family, Awards and recognition	31% trust friends, family and coworkers for information on product sustainability; 24% trust awards and recognition from independent, third party sources
Signature Behavior	Skepticism	Only 36% will consider buying sustainable products even when benefits can be seen immediately
Influence Potential	Low	15% have communicated about an environmental or social issue (call, blog, letter or email)

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Implications and Opportunities for Action

The Regeneration Consumer Study reveals the important role consumers are playing on the path to sustainability, as well as opportunities to address barriers to sustainable consumption and seize promising pathways forward.

On one hand, consumers across all six markets are calling for brands to innovate, saying they would purchase more socially and environmentally responsible products if only they performed better, cost less and had more believable claims. There is no surprise here.

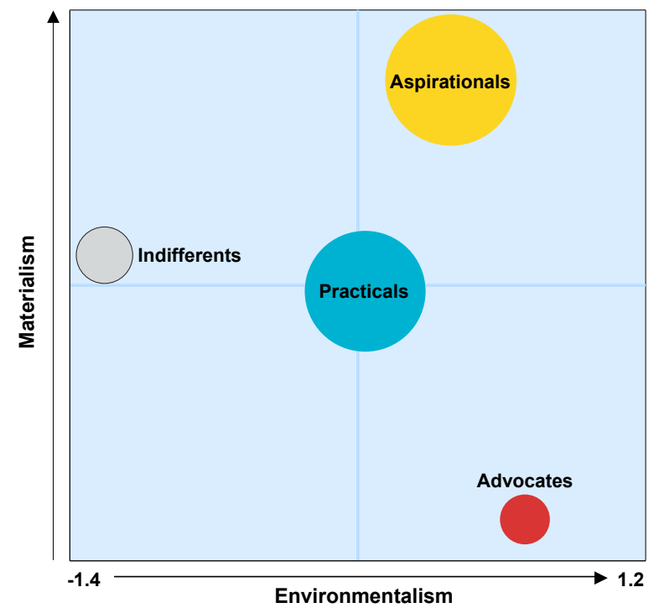
But on the other hand, consumers are ready to do their part, believing that, as a society, we need to consume a lot less and work to improve the environment and society for future generations. They believe that companies should address social and environmental issues like water, healthcare and fair wages through their products, practices and policies. And, they are interested in lending their ideas, opinions and experiences to help companies create better products and new solutions.

Our analysis has identified a set of consumers that we think represents a vital opportunity to advance sustainable consumption in the future. Their desire to both shop for better products and help better the planet is clear in our consumer segmentation model.

The *Aspirationals*, the largest consumer segment, are seeking to reconcile the tendency toward materialism with their social and environmental values (see figure on opposite page). Understanding this dynamic tension – between material possessions and social and environmental progress – provides the greatest opportunity to create positive impact through consumers' purchasing decisions and social actions.

As the largest consumer segment in Brazil, China and India, Aspirationals represent hundreds of millions of consumers – growing to perhaps billions by 2050. And we believe that any forward-thinking brand should prioritize reaching them to redefine value, earn their trust and inspire them to lead their peers.

Regeneration Consumer Segments



To realize this moment, following are five implications that present opportunities for action:

1. Deliver Total Value

Making a product that's good for our planet is important, but, for consumers, it's not enough. Aspirational consumers crave what we call 'total value': products that deliver practical benefits like price and quality but that also negate buyer's remorse by providing societal and environmental good and provide "tribal benefits" that help them feel connected to a larger community that shares their values. Brands that hit on all three categories – and effectively communicate as much – will be rewarded with the loyalty of these consumers, particularly in emerging markets like Brazil, India and China.

2. Connect Back Story to Brand Story

Aspirational consumers are asking both "What's in it for me?" and "What's in it for we?" They're thinking – and reading, and blogging and tweeting – about their purchases and the causes that impact their families, communities and planet.

Done right, brands can connect with consumers on a deeper level and win their respect by telling the larger story behind their products. Sustainability-minded marketers will invite them to discover and experience the life cycle of their products, the people who make them, and the social and environmental progress that's being accomplished over time. Consumers expect transparency and authenticity. Brands can build credibility by sharing the good, acknowledging the bad and inviting new ideas and solutions to tackle challenges together.

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3. Embrace Sustainable Brand Innovation

Aspirational consumers love shopping, prize social connections and they also want to make a difference for people and the planet. We believe the best way to deliver on these seemingly conflicting desires is by embracing sustainable brand innovation whereby companies consider the full set of relationships in every part of the value chain –consumer, product, brand, community and planet – and unleash the mutually beneficial roles that we can play as individuals, organizations and as a society.

Brands will win by embedding sustainability and social purpose into every business strategy, product design and stakeholder relationship. And by creating better brands, products, packaging and platforms, companies can become agents of change at a faster speed and larger scale than ever before.

4. Harness Consumer Collaboration

Once upon a time, branding was a top-down proposition allowing companies to tell stories of their choosing to their "audience." But in today's new marketing paradigm, participation is a powerful new currency. Particularly in emerging markets, consumers see themselves as fans, co-creators and champions of the brands in their lives, and they're weighing in on corporate promises and practices – whether asked to or not.

Consumer collaboration can be an important driver of sustainability, uniting both experts and consumers in generating smarter ideas and solutions because they come from both the makers and users of the products and services themselves.

We believe that brands embracing collaboration will experience deeper engagement on the issues that matter as well as richer collaboration on innovation opportunities and business benefits including tapping new markets, accelerating product trial and building consumer loyalty that drives long-term success.

5. Unleash the Power of Tribes

Consumers may need stuff, but what they really want is to connect: to each other and to the brands that matter to them. More than eight in ten consumers prize friends and family as the most important thing in life and they are turning to their social networks as well as consumer reviews to discover, choose and share brands.

Similarly, more than half of Aspirational consumers would buy more sustainable products if it connected them to a community of peers that shares their values, perhaps uniting their desire for social status, connections to others and the chance to make a difference together.

Every imaginable product category enjoys its niche community of passionate enthusiasts, and brands can leverage the power of tribes by connecting the like-minded, championing their ideas and extending their voice to extend their reach and impact.

In the end, we believe that by better understanding the aspirations and actions of consumers, brands have the opportunity to Re:THINK consumption, Re:DEFINE value and Re:IMAGININE a more sustainable future.

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METHODOLOGY:

Developed by **BBMG, GlobeScan and SustainAbility**, The Regeneration Consumer Study is an online survey of consumer attitudes, motivations and behaviors around sustainable consumption among 6,224 respondents in six major international markets (Brazil, China, Germany, India, United Kingdom and United States). Fielded in September and October 2012, the study represents a holistic exploration of sustainability market trends, priorities and engagement pathways, including information on sustainable consumption, trust, transparency, social issues, behavior change, consumer collaboration, participation and advocacy actions. Data across all six international markets reflect a margin of error of +/- 1.3 percent. Specific country-level data reflect a margin of error of +/- 3.1 percent.

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