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)

-1.3 CAGR over nine years

I care about use of renewable energy sources

Stable over time
BUT, -11% CAGR since 2007

I am concerned 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

**DRIFTERS:** 21%
- Looking for “easy green”
- Trendy
- Price sensitive

**CONVENTIONALS:** 29%
- Practical
- “Yankee Ingenuity”
- Conservation-oriented

**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
New LOHAS Products

- Renewable power
- Green dry cleaning
- Bio-based products
- Electric cars
- Carbon offsets
- Organic clothing

Mainstreaming

- Energy-efficient appliances
- Organic food/beverages
- Compact fluorescent lightbulbs

How LOHAS Influences the Mainstream

Awareness

Trial

Adoption

Loyalty

Influence

LOHAS

NATURALITES

CONVENTIONALS

DRIFTERS
LOHAS Mainstreaming Organic Food

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

2003 - $9 billion*

LOHAS Consumers: 58%

Non-LOHAS Consumers

2009 - $25 Billion*

LOHAS Consumers: 39%

*Sales figures for organic foods/beverages
Consumers Awareness of Purchase Options has Increased

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

- 16% I have the option to buy renewable power from my current electric company, LOHAS
- 12% I have the option to buy renewable power from someone other than my current electric company, LOHAS
- 10% I have the option to buy renewable power from my current electric company, GP
- 8% I have the option to buy renewable power from someone other than my current electric company, GP

2003 2010
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…

- protecting the environment: 46%
- to human health: 8%
- developing a domestic energy source: 24%
- to the U.S. economy: 10%
Benefits of RP Vary by Segment

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

- Environment
- Domestic
- Economy
- Health
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)

<table>
<thead>
<tr>
<th></th>
<th>I care about use of renewable energy</th>
<th>I have the option to buy RP from my utility</th>
<th>At least some of the power for my home comes from a renewable source</th>
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</thead>
<tbody>
<tr>
<td>LOHAS</td>
<td>98</td>
<td>16</td>
<td>10</td>
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<tr>
<td>NATURALITIES</td>
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<tr>
<td>CONVENTIONALS</td>
<td>84</td>
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</tbody>
</table>

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Source: 2010 LOHAS Consumer Trends Database™
So how do you find LOHAS consumers?

LOHAS consumers more likely than segments to...

...Describe themselves as:
Intelligent
Considerate
Loving
Independent
Trusted
Eco-Friendly

(Top positive descriptors)

...Read:

...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

Source: 2010 LOHAS Consumer Trends Database™
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