Project NZ.
#theBIGshift

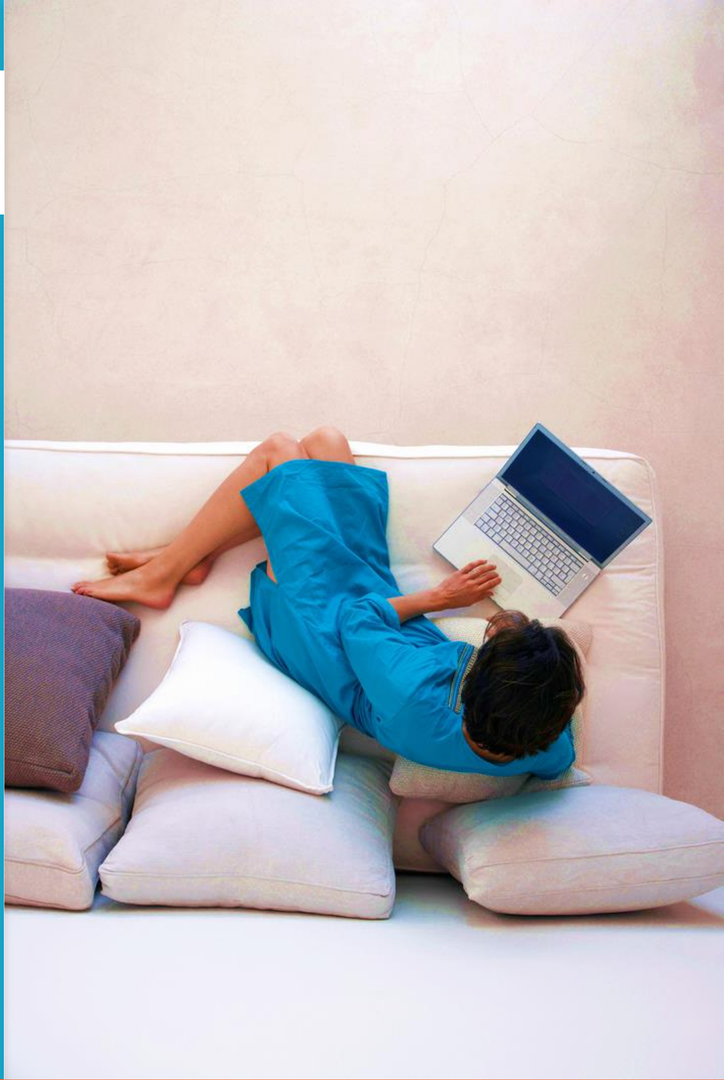
Colmar Brunton
A Millward Brown Company

THE BETTER BUSINESS REPORT - 2014

6TH » The Sixth Year Of Colmar Brunton's Monitor Of New Zealanders' Perceptions, Attitudes And Behaviours Around Sustainability

1000 » Spoke To 1000 People Online In August 2014

NATIONAL SPREAD » Representative National Spread Of Age, Gender And Region



WHEN IT ALL BOILS DOWN TO IT,

DOES SUSTAINABILITY REALLY MATTER

TO PEOPLE, AND DOES IT

AFFECT THE WAY THEY BEHAVE?

...YES, YES, YES

82%

WORRY ABOUT THE FUTURE

ARE WE DOING ENOUGH TO KEEP NZ SAFE AND HEALTHY?

FEMALE 40-49 YEARS OLD, NEW PLYMOUTH

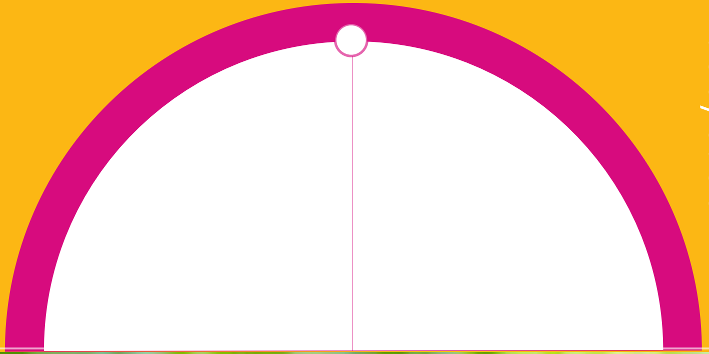
> “ *We must act now before we destroy more of our environment.*

80%

AGREE THAT PREVIOUS GENERATIONS HAVEN'T PROTECTED THE PLANET – AND THE RESPONSIBILITY IS ON **THEIR** GENERATION TO MAKE THINGS RIGHT

FEMALE 30-39 YEARS OLD, WHANGAREI

> *Are we listening to the warnings and taking it seriously enough?*



2013/2014

78%

BELIEVE IT'S IMPORTANT FOR NZ TO GROW AND MARKET FOOD THAT'S ORGANIC AND GE FREE

74% 2011/2012

"A successful New Zealand would be leading the way as a conscious environmental society

Female 30-39 years old, Wellington

agree that what they do at a personal and local level makes a real difference for future generations

FEMALE 50-59 YEARS OLD, GISBORNE

> *"We have generations growing up being informed and not accepting less standards for themselves and their whanau*

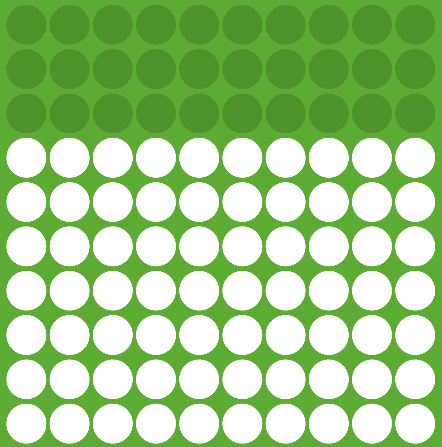
“New Zealand should also be a place where concentrated human activities don't make an unsustainable affect on the environment

MALE 18-29 YEARS OLD, UPPER NORTH ISLAND

2013/2014

70%

WANT TO WORK FOR A SUSTAINABLE COMPANY



56%

agree that the biggest single problem facing the world today is climate change

FEMALE 30-39 YEARS OLD, AUCKLAND

> “ *We need a united front from all NZers in regards to the climate*

It's not JUST about being green

"If you can make people's lives a lot better you've got a really good business"

RICHARD BRANSON

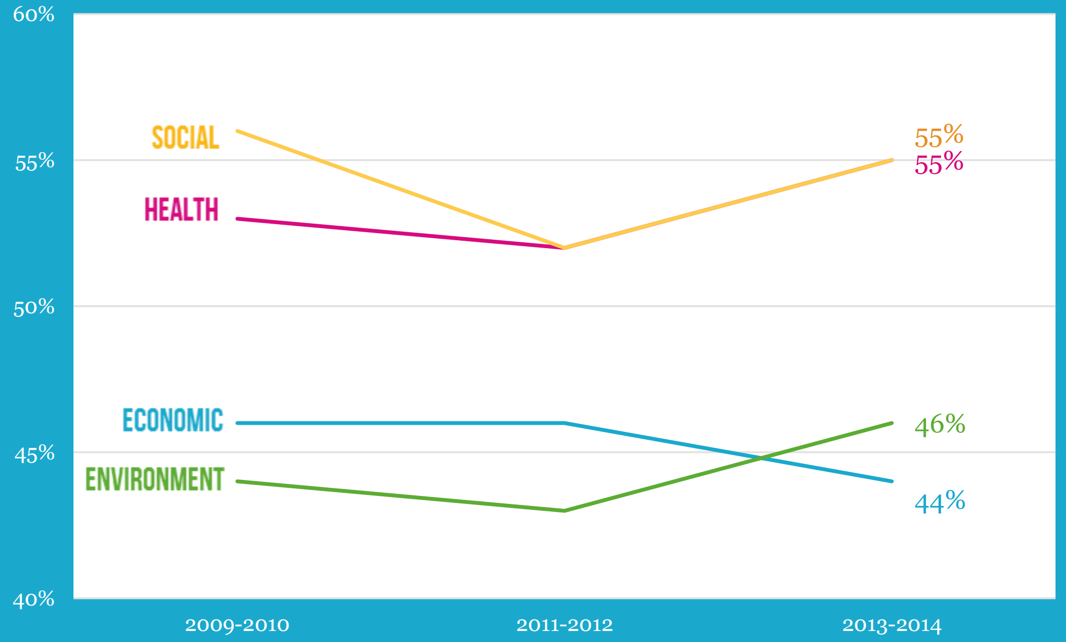
WE'RE ENTERING A PURPOSE-LED AGE,

WHERE A CONFIDENT & EMPOWERED

CONSUMER IS TAKING CONTROL

KIWIS' CONCERNS

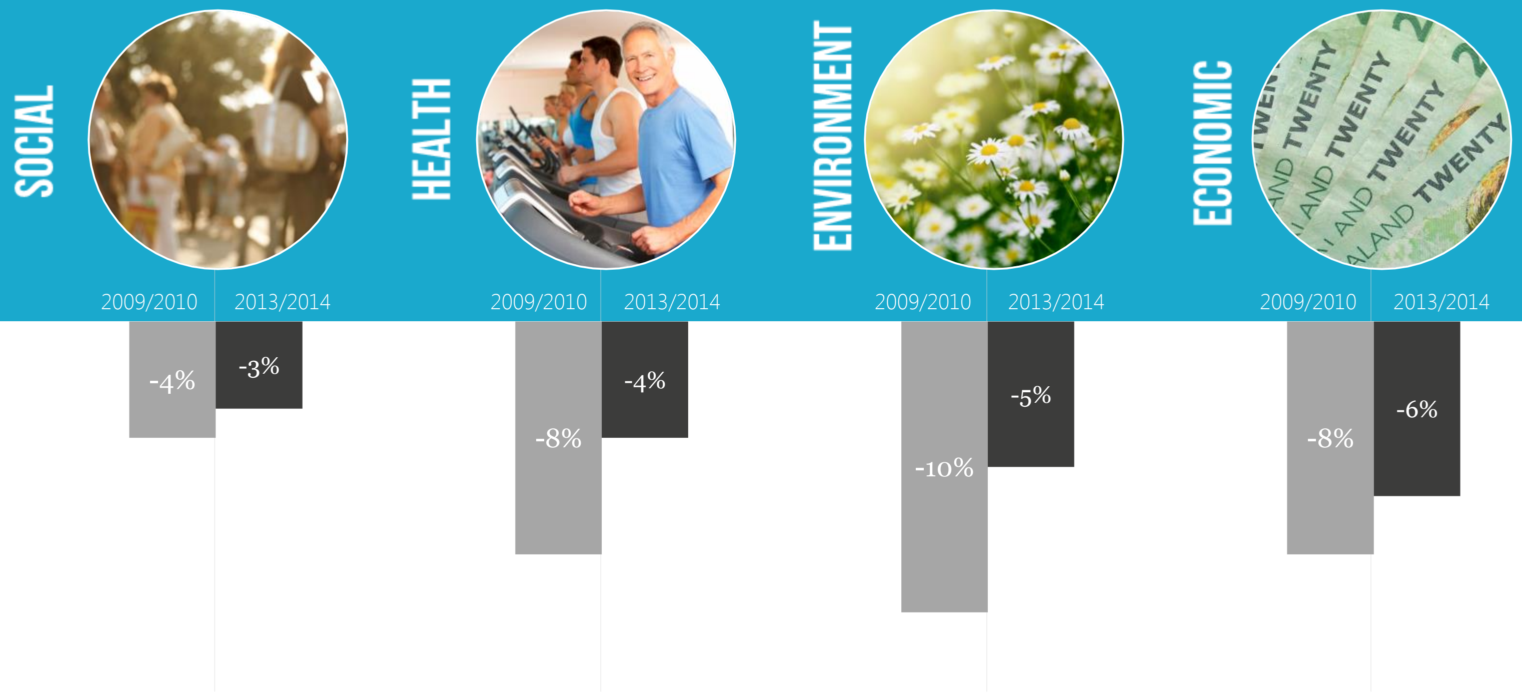
Social and health issues are consistently more of a hot topic for people than the environment



What is the ONE biggest issue we should be concerned about...

> *We need to balance it. Going too far one way could be a disaster, environmentally or economically.* ***GenX***

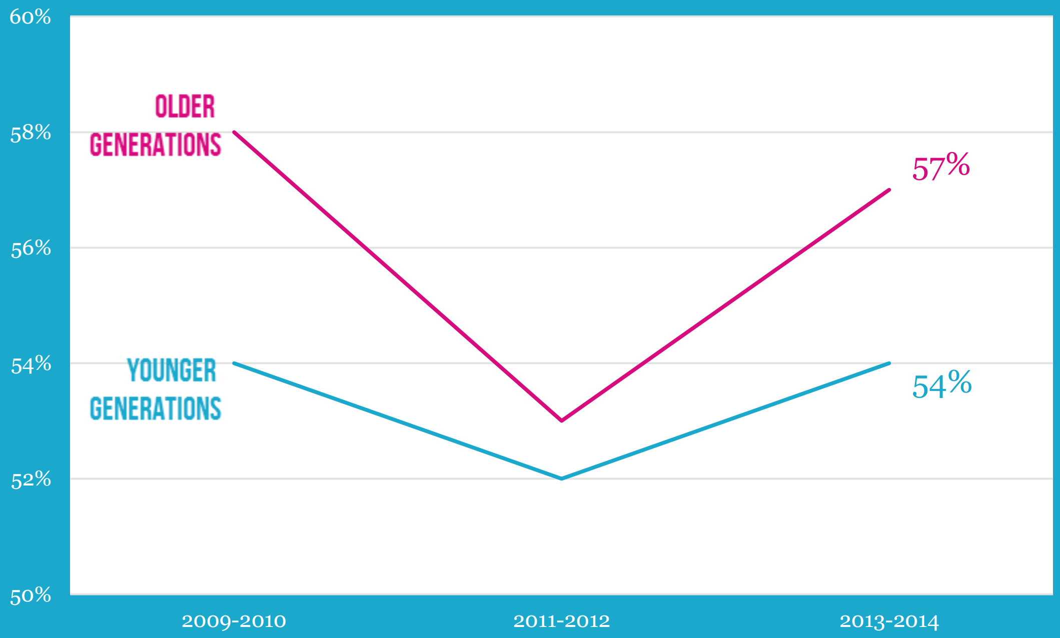
AT A MACRO LEVEL, THE GAP IS CLOSING ON THE ISSUES THAT WE'RE MOST CONCERNED ABOUT ACROSS GENERATIONS



GAP: YOUNGER (GEN X/Y) VS. OLDER GENERATIONS (BOOMER AND OLDER)

SOCIAL

Social issues top the list of the things New Zealanders are concerned about

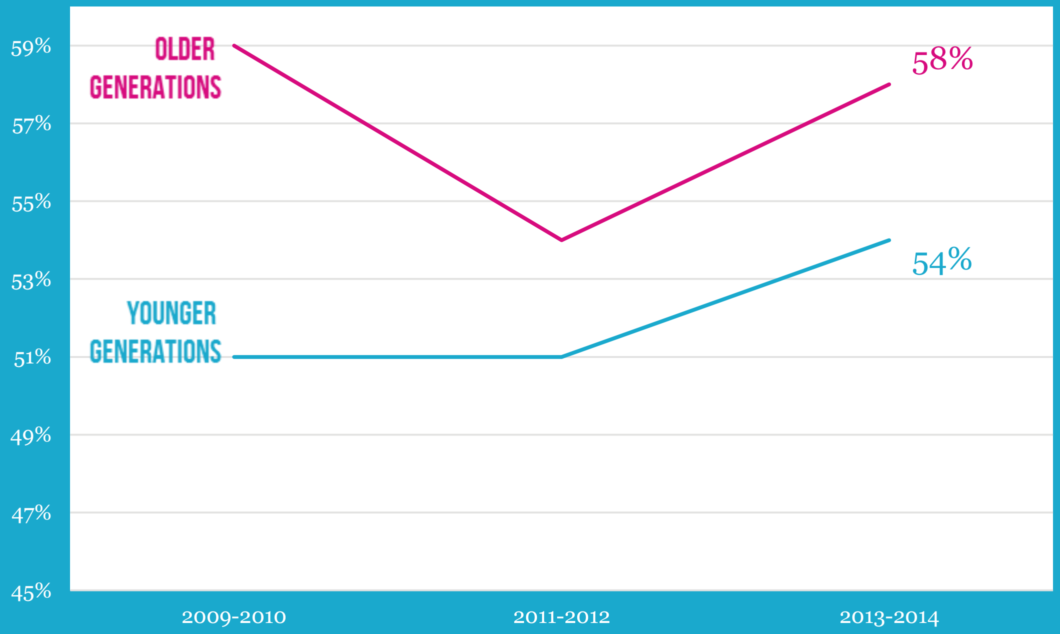


What is the ONE biggest issue we should be concerned about...

> *Families are broken and out of order, the first world claims to lead the way yet has the highest rates of mental illness – **Gen-Y***

HEALTH

Mirroring worldwide trends, health & wellbeing is an area of growing interest across segmentation – and the gap between younger and older generations is closing over time

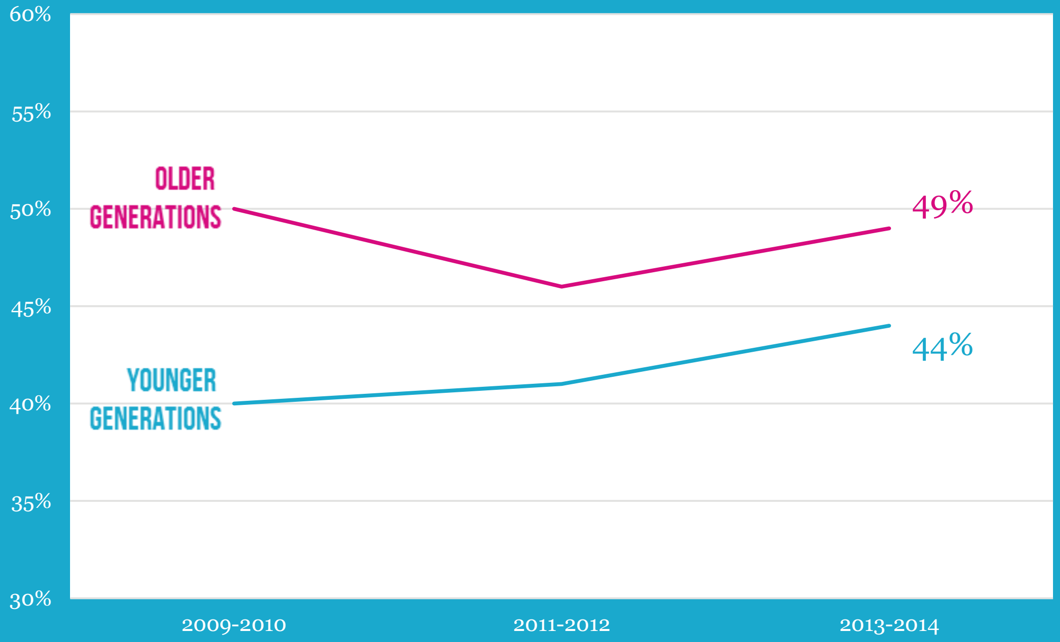


What is the ONE biggest issue we should be concerned about…

> *Change the fast food culture, have gardens in schools so children learn and appreciate where real food comes from. –* ***Gen-X***

ENVIRONMENT

And younger generations are increasingly becoming concerned about our impact on the environment

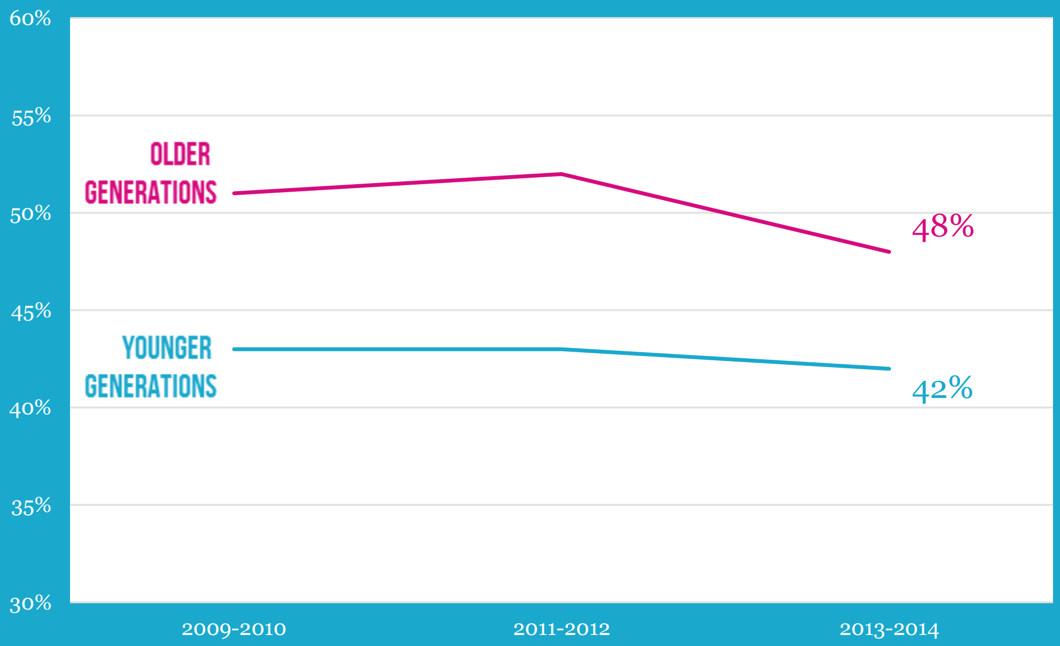


What is the ONE biggest issue we should be concerned about…

"*Global Warming, and our use of the planet's resources. We don't fix those, we're all screwed in the long run. – **Gen-Y***

ECONOMIC

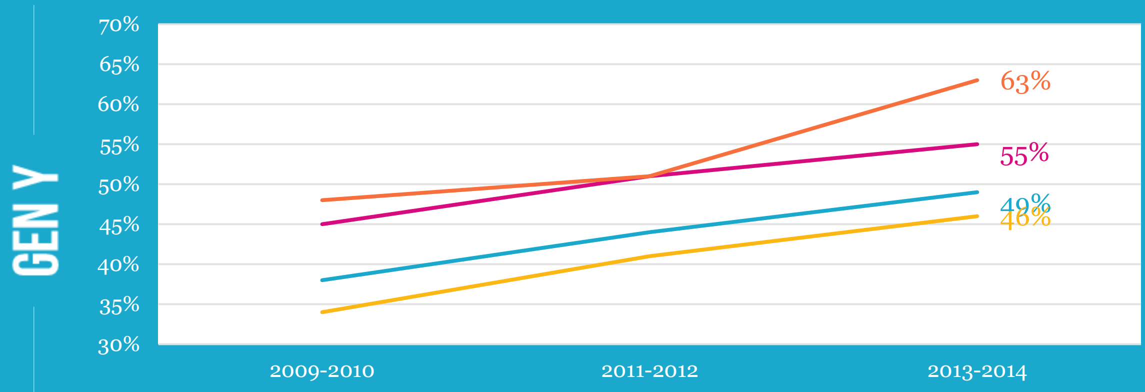
Economic issues maintain a similar space to environmental issues with older generations consistently more concerned about these



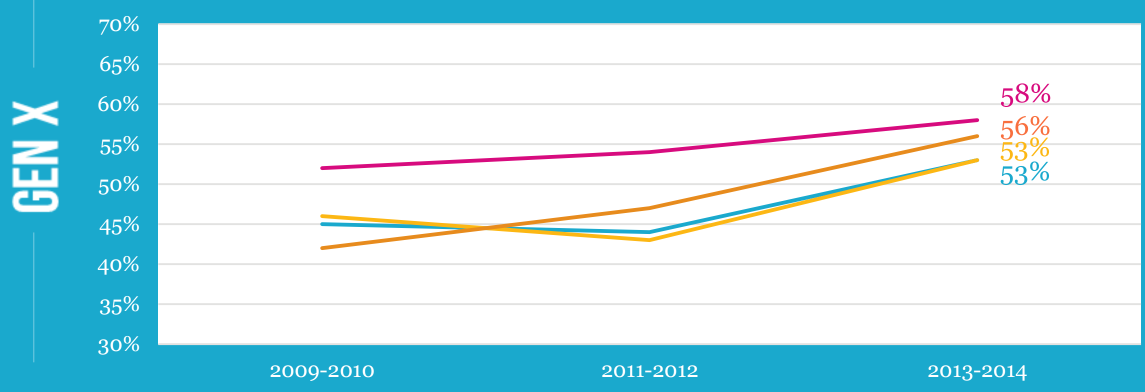
What is the ONE biggest issue we should be concerned about…

> *Liveable wages for employees and stop worrying about increasing quarterly profits, profit sharing should be key to a business. Drastically reduce the gap between the rich and poor by taxing rich people. Government mandate liveable wages for multi billion dollar companies* – ***Gen-X***

Concerns increasing at the fastest rate are around processed foods, waterways and affordability



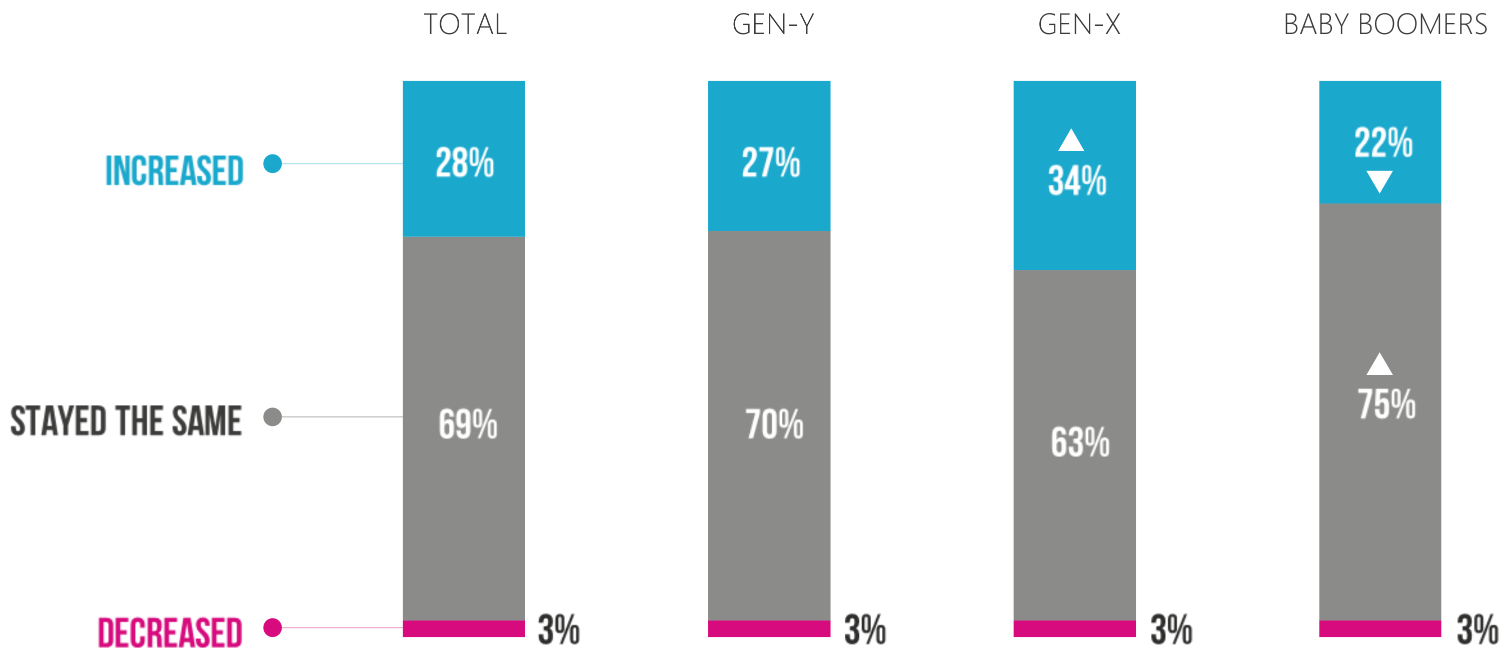
Processed foods — Pollution to lakes & rivers — Protection & management of conservation land — Affordable housing



What is the ONE biggest issue we should be concerned about...

> *"Clean waterways,lakes.40years ago you could swim in any of our rivers, lakes and not get sick or rashes. You were also able to eat what you caught or pull off the rocks or picked out of the waterways without fear of getting sick. – Gen-X*

DEMAND FOR SUSTAINABLE PRODUCTS CONTINUES TO INCREASE, DRIVEN BY YOUNGER GENERATIONS

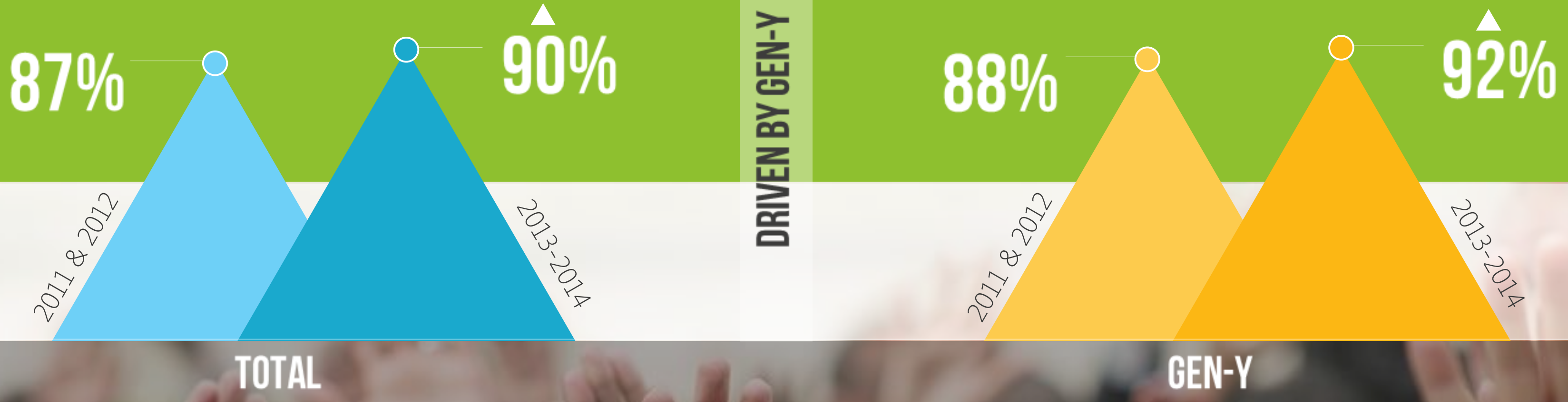


Q. *In last 12 months how has your purchasing of sustainable products changed*

▲▼ Significantly different compared to total

CONSUMERS ARE INCREASINGLY WELCOMING SUSTAINABLE PRODUCTS & SERVICES INTO THEIR LIVES

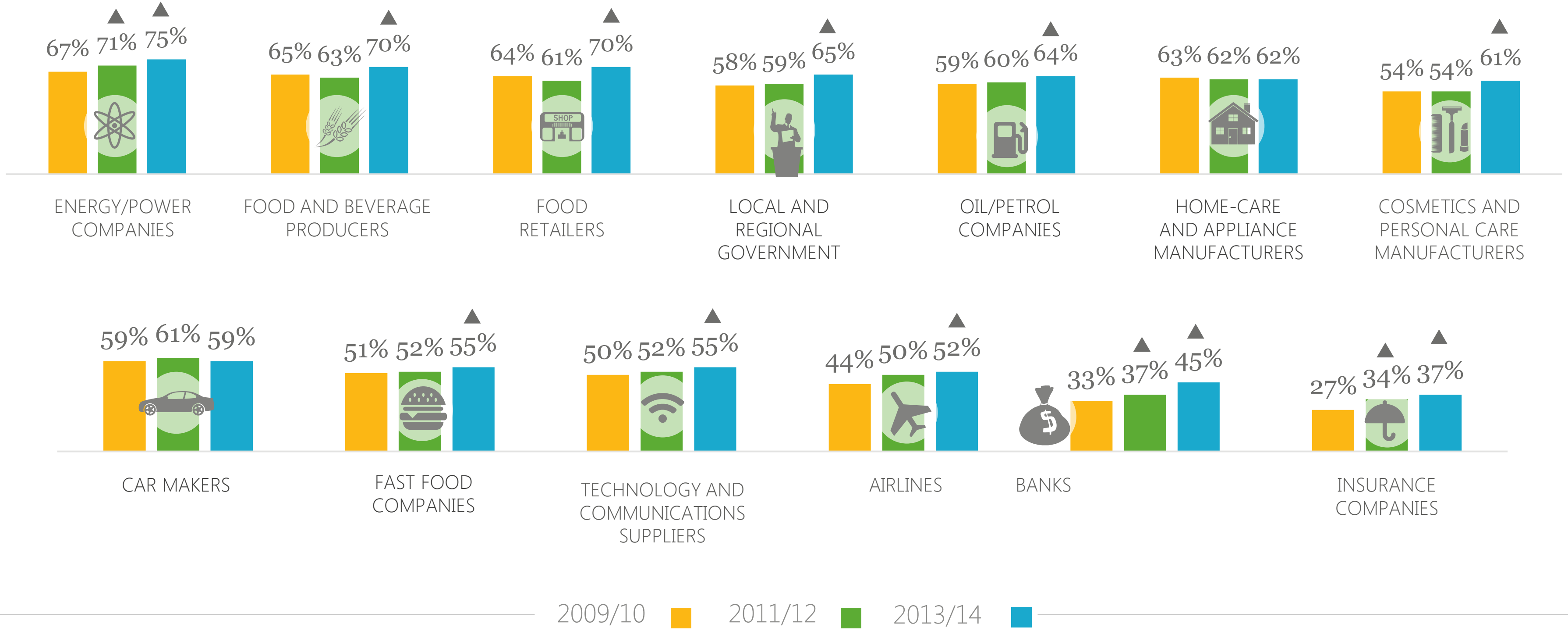
CHOICE IS INFLUENCED IN AT LEAST ONE CATEGORY BY ISSUES & SUSTAINABILITY



▲▼ Significantly different compared to total

SUSTAINABILITY IS INCREASINGLY INFLUENCING PURCHASE BEHAVIOUR ACROSS ALL CATEGORIES

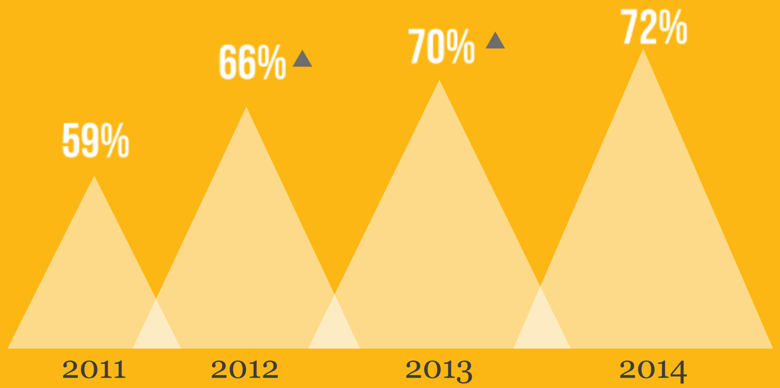
HOW MUCH INFLUENCE DO ISSUES OF SUSTAINABILITY HAVE ON WHO YOU CHOOSE TO BUY OR DEAL WITH?
(% Who's buying is influenced by sustainability)



▲▼ Significantly higher than previous year

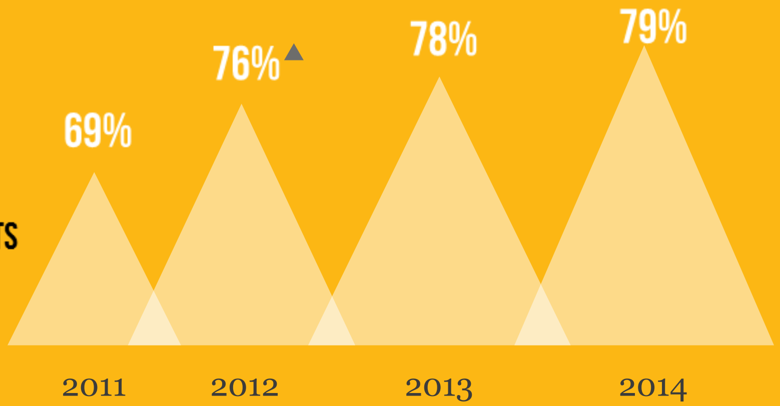
THESE SPEND SHIFTS CAN BE SEEN IN THE EVERYDAY LIFESTYLE CHOICES THAT CONSUMERS MAKE

BUY ORGANIC FOODS



% AGREE THEY BUY SOMETIMES/ALL OR MOST OF THE TIME

BUY FAIRTRADE PRODUCTS

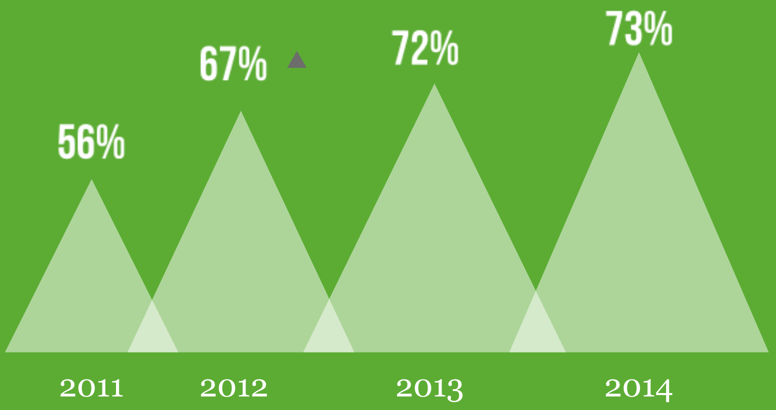


▲▼ Significantly higher than previous year

SUSTAINABLE CHOICES ARE ACCELERATING FASTER AMONG YOUNGER GENERATIONS

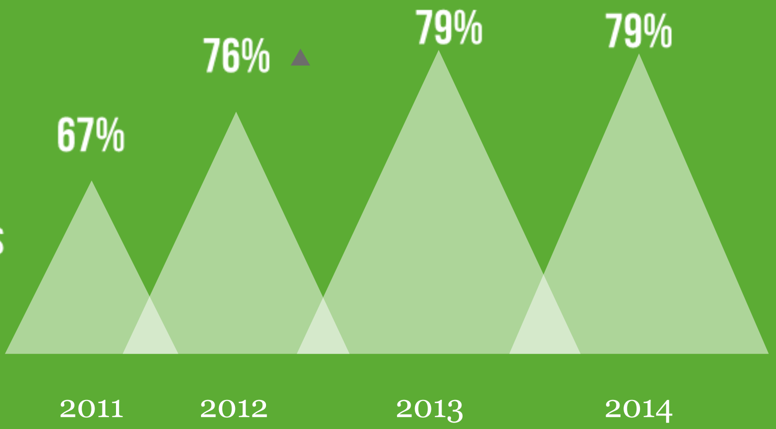
AMONGST GEN-Y AND GEN-X

BUY ORGANIC FOODS



% AGREE THEY BUY SOMETIMES/ALL OR MOST OF THE TIME

BUY FAIRTRADE PRODUCTS

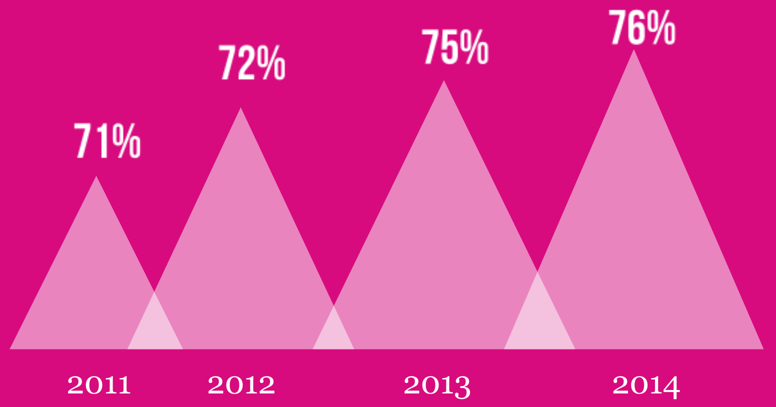


▲▼ Significantly higher than previous year

SUSTAINABLE CHOICES ARE ACCELERATING FASTER AMONG YOUNGER GENERATIONS

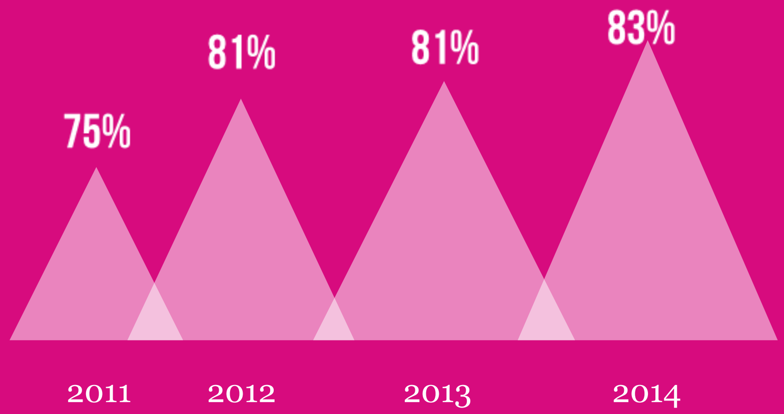
AMONGST GEN-Y AND GEN-X

GROWING OWN FRUIT & VEGES



% AGREE THEY BUY SOMETIMES/ALL OR MOST OF THE TIME

BUY ECO-FRIENDLY CLEANING PRODUCTS



▲▼ Significantly higher than previous year

NOT ONLY ARE THE HEALTH BENEFITS OF ORGANIC PRODUCTS RECOGNIZED, BUT THERE IS ALSO AN INTEREST IN HOW IT CAN BE GOOD FOR THE WORLD

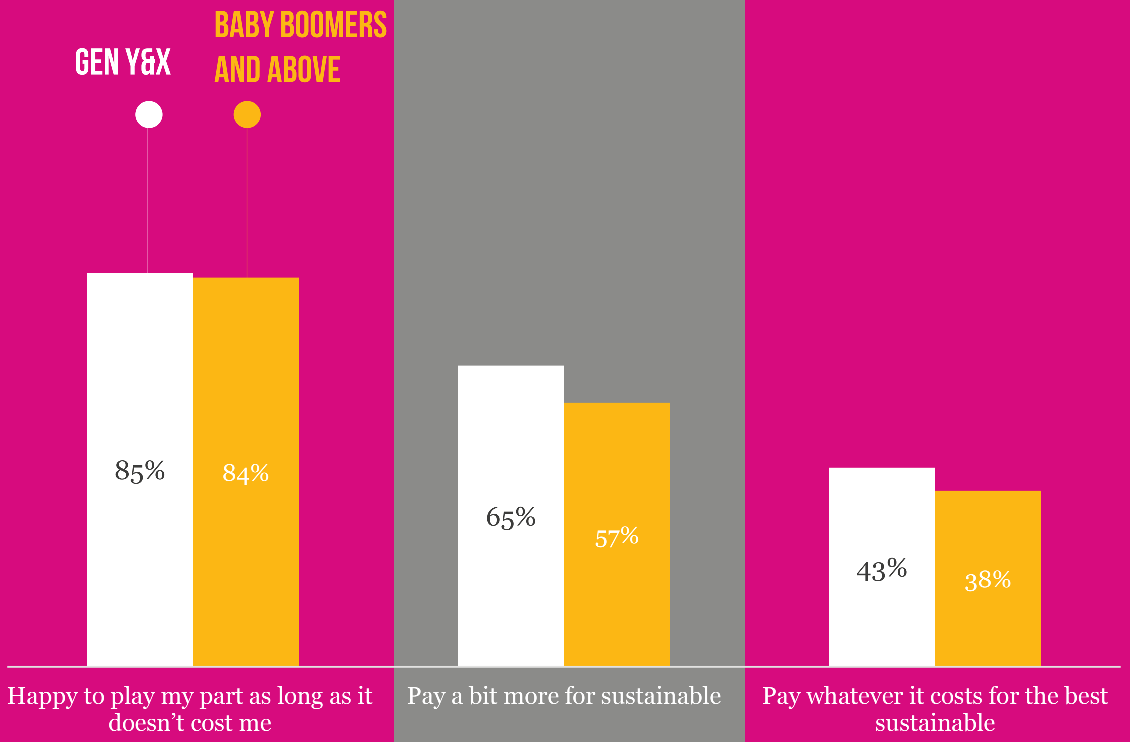
86% GOOD FOR ME/FAMILY

Its healthier overall	64%
Other food and beverages may contain chemicals and hormones	46%
It tastes better	41%
Its good for my children	27%
Reduces the risk of cancer	25%

71% GOOD FOR THE WORLD

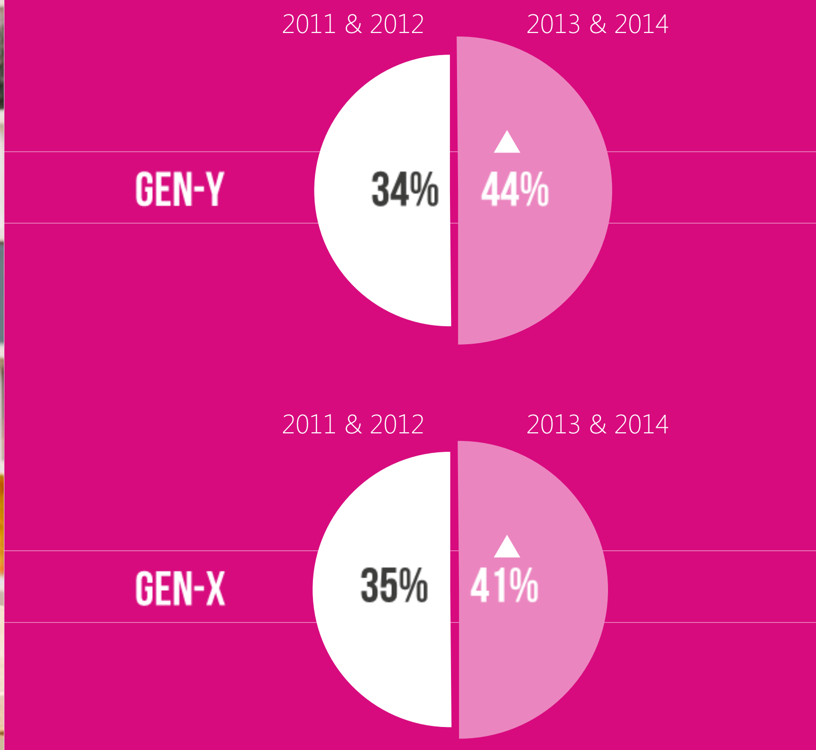
Want to support local producers	56%
It's better for smaller independent farmers	29%
It supports greater bio-diversity	25%
Keeps our drinking water safe	23%
Safer for wildlife that may be exposed to it	22%
Safer for farm workers who handle the products	16%

OVER HALF OF ALL CONSUMERS WILL PAY A BIT MORE TO ENSURE THEIR PRODUCTS ARE SUSTAINABLE.

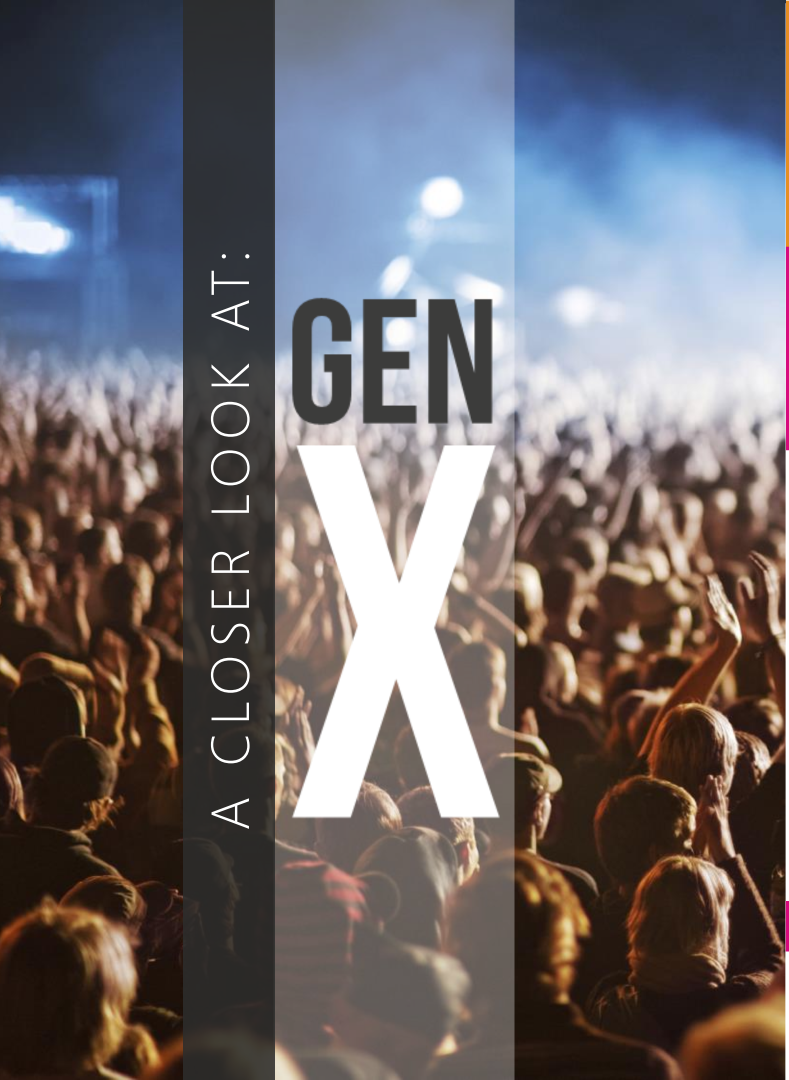


YOUNGER GENERATIONS CONNECT WITH THE VALUE PROPOSITION

% WILL PAY WHATEVER IT COSTS FOR THE BEST SUSTAINABLE



▲▼ Significantly different compared to total



A CLOSER LOOK AT: GEN X

BORN BETWEEN THE EARLY 1960S AND THE EARLY 1980S

- Full time workers
- Married or living with a partner
- Families
- Highest earning income range

84% Buy eco-friendly cleaning products

93% Reuse bottles/cups

1 in 3 state that the number of 'fairtrade', organic or eco-friendly products and services they buy has increased over the past year

79% ...grow their own fruit/ vegetables

3 out of 4 purchase Organic products at least some of the time

68% ...COMPOST

What is the ONE biggest issue we should be concerned about...

> *Too much ready to eat foods in the supermarket. Organic products should not separated from the rest, to give the consumers a better choice . – Gen-X*

AROUND 2 IN 3 CAN'T NAME A LEADER IN SUSTAINABILITY

THERE'S STILL SOME WAY TO GO, BUT SUSTAINABILITY LEADERS ARE INCREASINGLY RECOGNISED

69%
2010

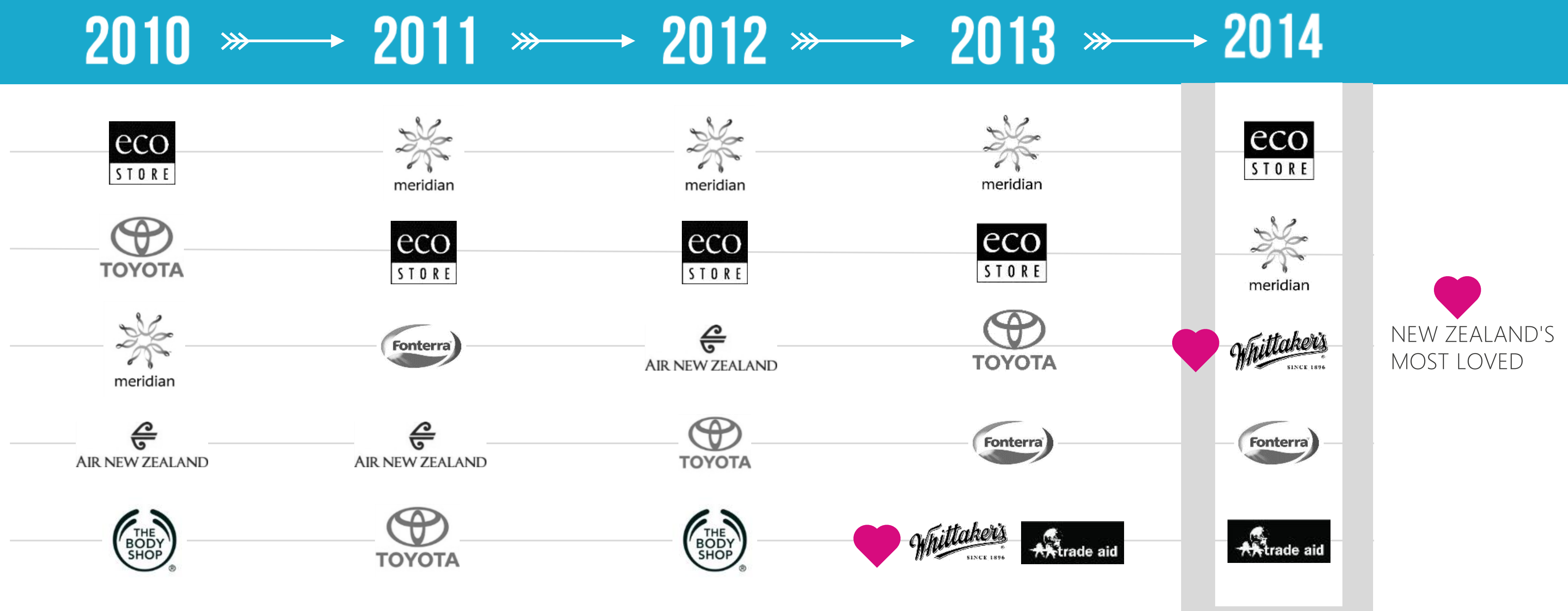
66%
2011 & 12

63%
2013 & 14

% DON'T KNOW

WHITTAKER'S CONTINUES TO MOVE UP THE LIST OF BRAND LEADERS IN THE AREA OF SUSTAINABILITY

WHICH BRANDS WITHIN NZ AND AROUND THE WORLD WOULD YOU SAY ARE LEADERS IN THE AREA OF SUSTAINABILITY



WHAT DOES IT ALL MEAN?

BRANDZ TOP 100 GLOBAL BRANDS 2014 :3 FORCES

+ 14%

BRAND VALUE

FROM POST RECESSIONARY FLUCTUATION TO SOLID GROWTH

THE GROWING INFLUENCE OF GEN Y ON THE SHAPE OF CATEGORIES

DRINK CRAFT BEER

SHOP ON MOBILE

CHOOSE VITAMIN WATER

(OVER COLA)

EAT HEALTHIER FAST FOOD

(SOMETIMES)

PURPOSE BEYOND PROFIT

- People want to associate with brands they feel good about

Google don't be evil

AIR NEW ZEALAND

Charlie's

LESMILLS FOR A FITTER PLANET

Cadbury

Persil

Dove

IN A POST RECESSION WORLD THERE'S PLENTY OF EVIDENCE THAT NEW VALUES ARE DRIVING CONSUMER CHOICES AND BEHAVIOUR

MINDLESS CONSUMPTION	▶	MINDFUL CONSUMPTION
EXCLUSIVE	▶	INCLUSIVE
ARROGANT	▶	PHILANTROPHIC

SUSTAINABILITY COMES OF AGE IN A WORLD WHERE PEOPLE ARE LOOKING TO BUILD LIVES OF PURPOSE AND CONNECTION

“The future face of capitalism will be defined by delivering value ***and*** *values.*

Those that embrace this reality & adapt will find extraordinary opportunities.

Those that ignore it will do so at their peril”

JOHN GARZONE & MICHAEL D'ANTONIO

The Power of The Post-Recession Consumer

CONSUMERS **CARE** AND THEY ARE LOOKING FOR BRANDS AND ORGANISATIONS THAT DO TOO

FOR CURRENT GENERATIONS GENEROSITY, KINDNESS AND HUMILITY ARE COMPETITIVE ADVANTAGES

Microsoft

Microsoft Elevate America

TOMS

One for One.®

AIR NEW ZEALAND

fly happy

AIR NEW ZEALAND ENVIRONMENT TRUST

meridian

Kids Can

Supporting Disadvantaged Kiwi Kids

SUSTAINABILITY IS A BRANDING CHALLENGE, AND THE SAME RULES APPLY

MEANINGFULLY DIFFERENT BRANDS GROW THEIR FINANCIAL VALUE FASTER AND LONGER

1

BE MEANINGFUL

*What do you **really** care about?*

Define the shared value that connects your brand with its target consumers - the territory of sustainability is rich with opportunity

Connection

Caring

Quality

Affordable

Provenance

Generous

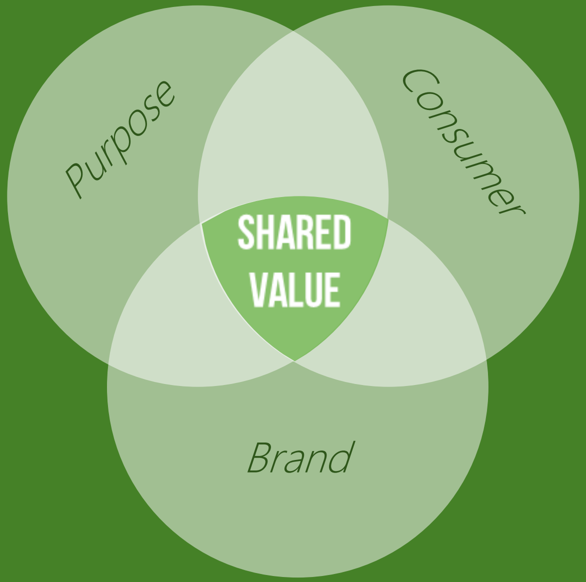
Future

Innovative

Natural

NZ

Local



2 BE DIFFERENT

Connecting your purpose to your brand story is where you find your point of difference

AUTHENTIC

TRUE

INSPIRING

IT'S THE "BRAND STORY" THAT MAKES YOUR PURPOSE, INSPIRING, RELEVANT & EXCITING

BE SALIENT 3

"Bake it" into your brand experience, and take that experience to market in a relevant and engaging way