

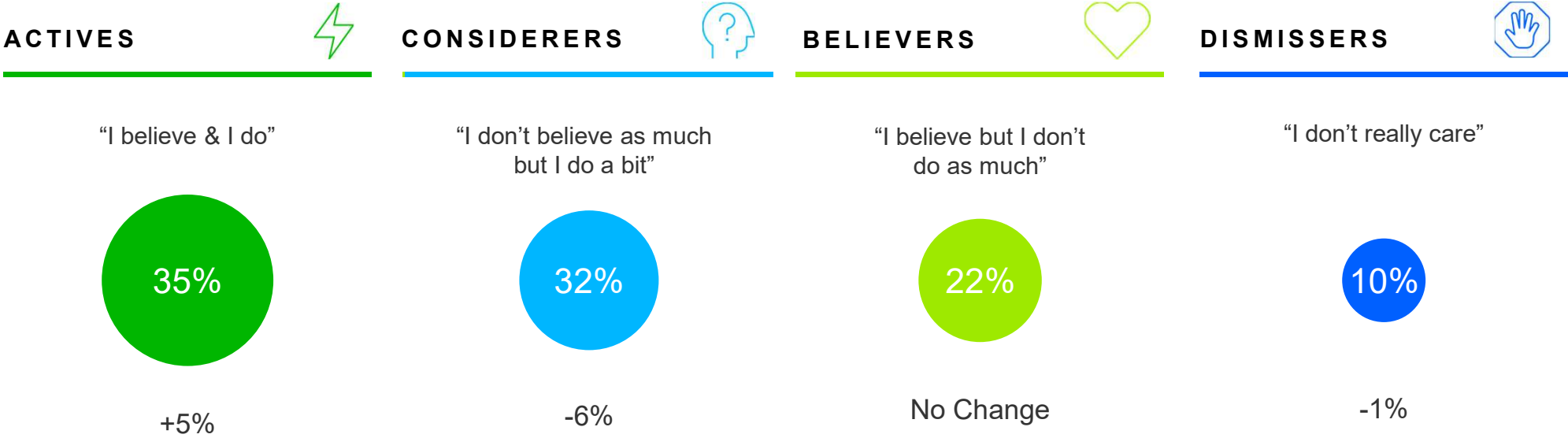
KANTAR

**Understanding
the sustainability
opportunity
among NZ
consumers**

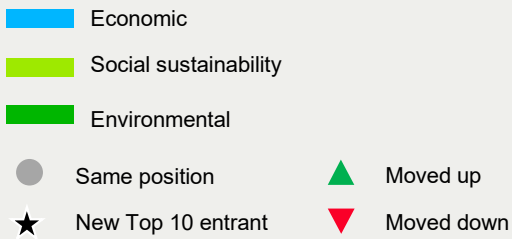
Chapter Zero Webinar
July 2023



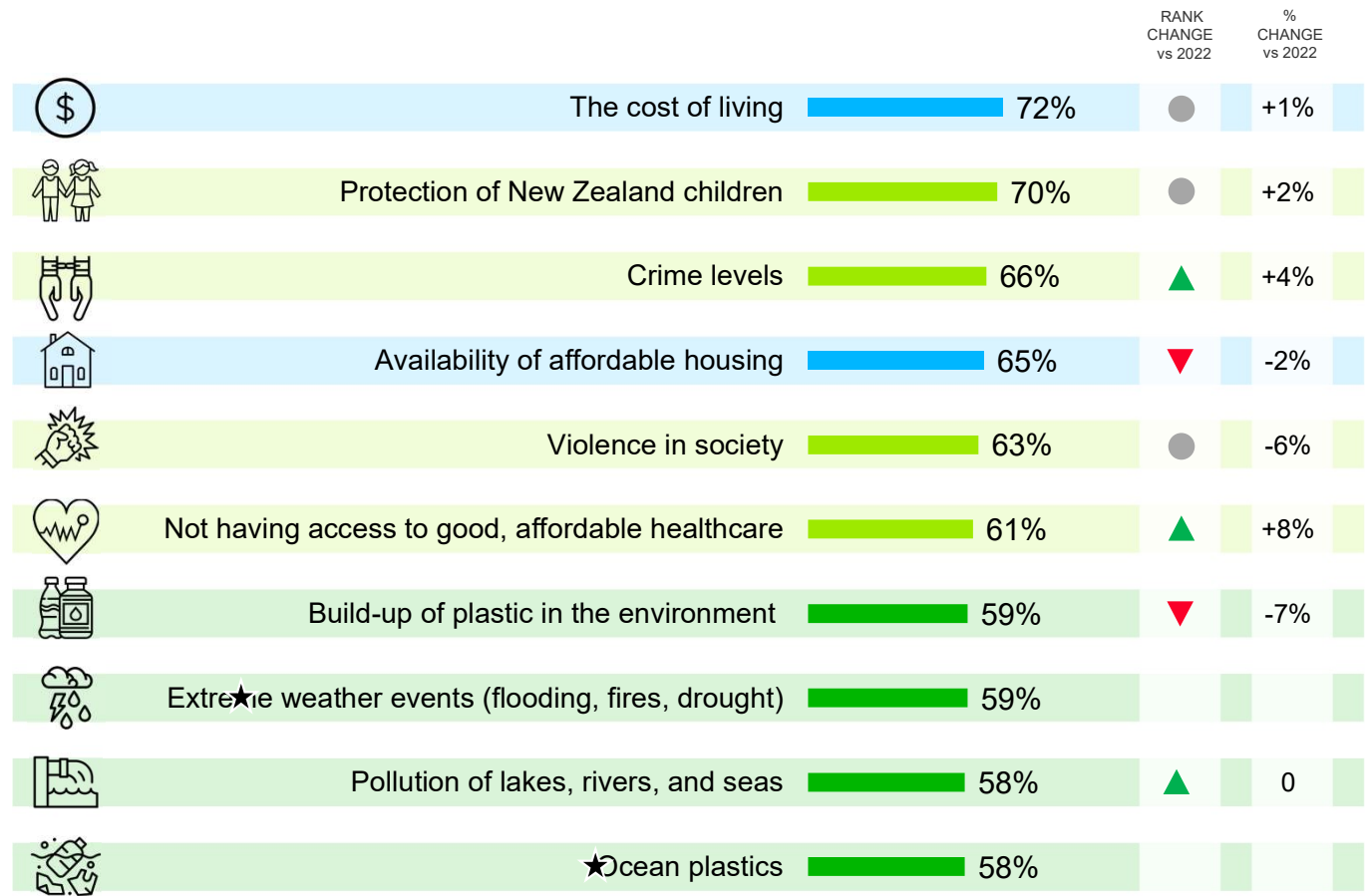
While the majority of the market remains uncommitted or less active, the last 12 months has seen a notable increase in sustainability activism



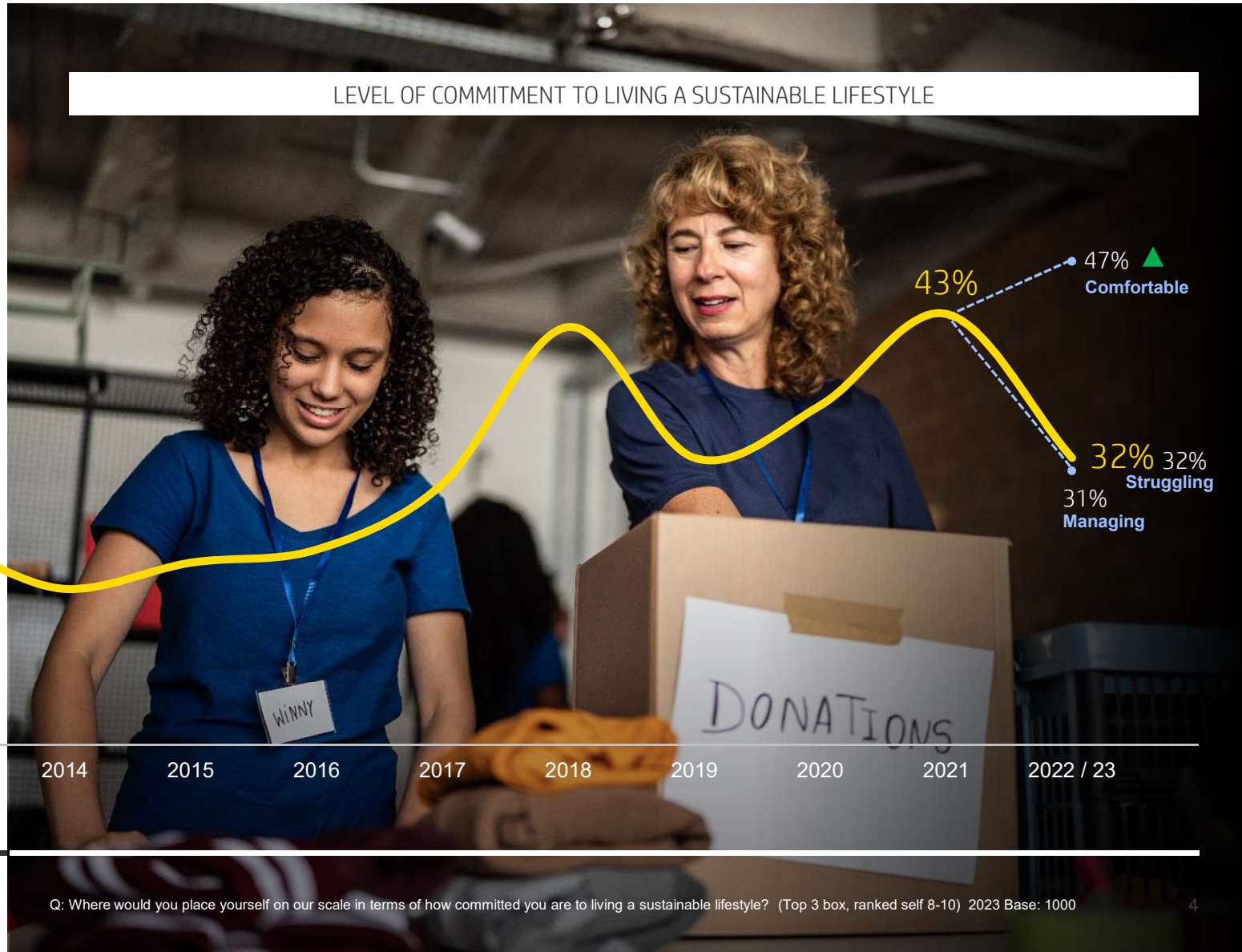
However, the cost of living remains NZ'ers primary issue of concern



TOP 10 CONCERNS

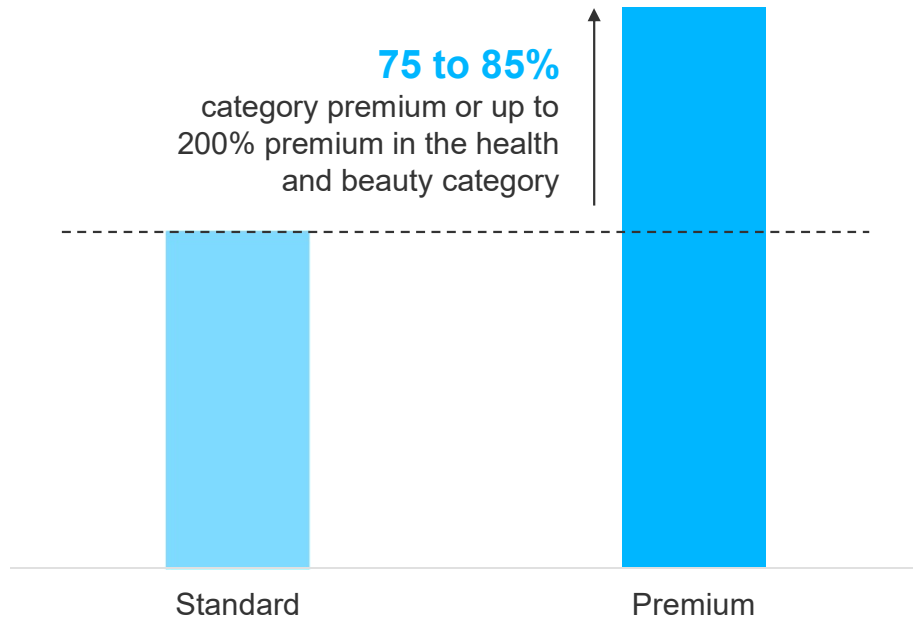


So, despite this ongoing increase in aspiration, it is clear to see that affordability is dramatically capping NZ'ers sustainable commitment

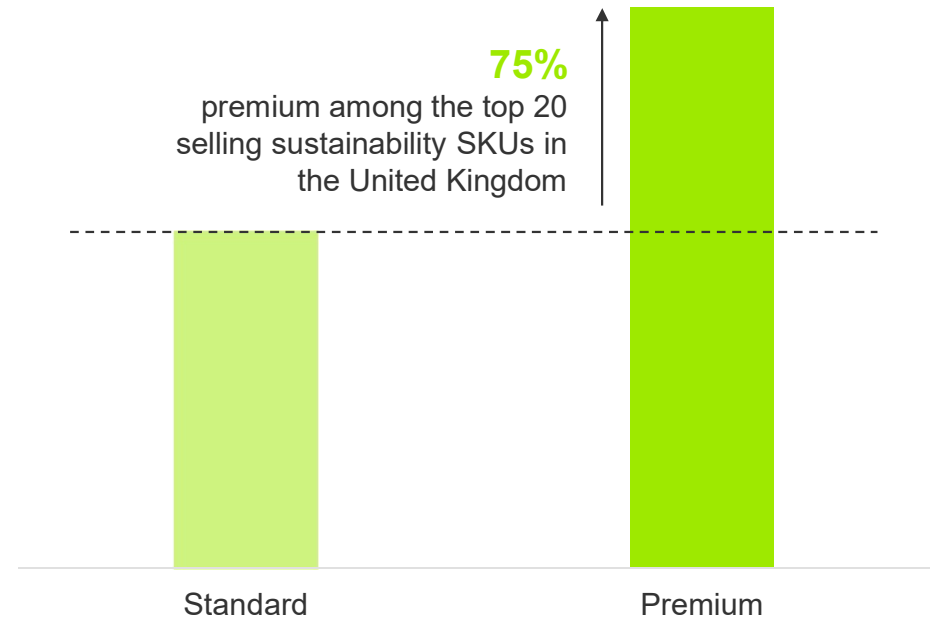


Perceptions of the green premium are not just a perception

AT Kearney



Kantar Worldpanel





In a global study, the extent of this gap between aspiration & ability is very clear

94% of people want to live a sustainable lifestyle

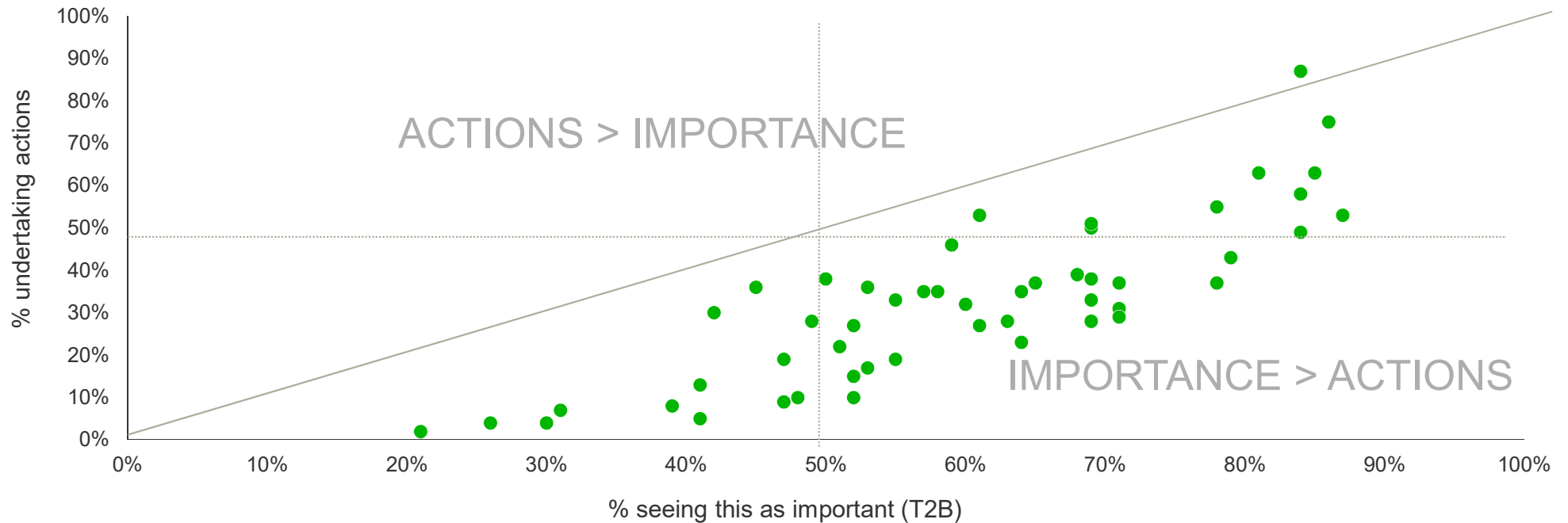
But only...

13% of people are actively changing their behaviour

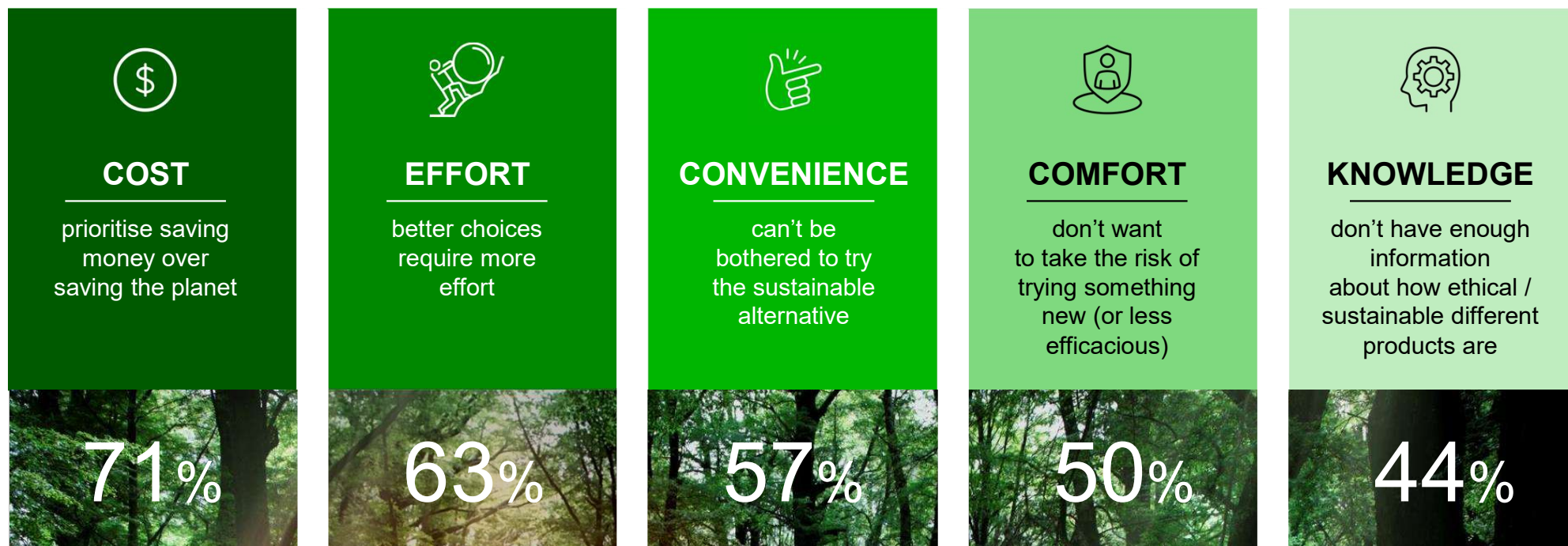
Source: Kantar Sustainability Sector Index 2022. Q26 Out of the below statements, which ones would you be willing to do all the time, if it was easy, accessible and there was nothing stopping you from doing it? Q27 And how frequently do you do any of these activities? (Most of the time and All the time). n =1011

In NZ, the relationship between values & actions clearly shows that all behaviours are undertaken less than consumers believe they ideally should be

Sustainability actions done vs. importance of actions

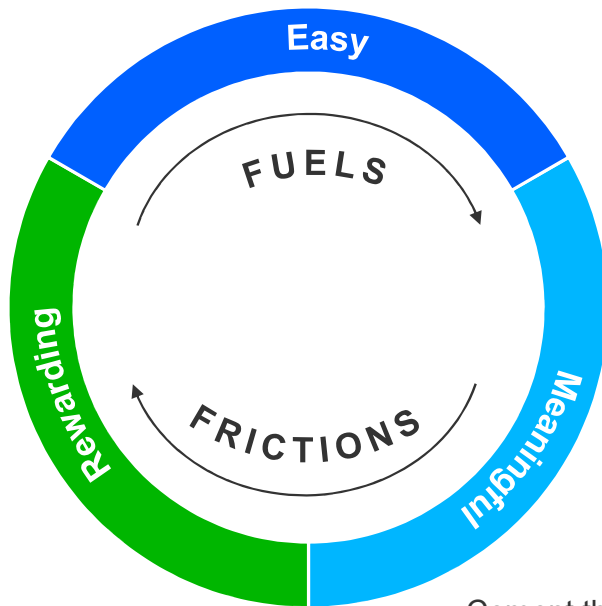


The key to closing the gap is to understand why people don't act in accordance with their beliefs, and in NZ, there are five key barriers to greater sustainable & ethical behaviour



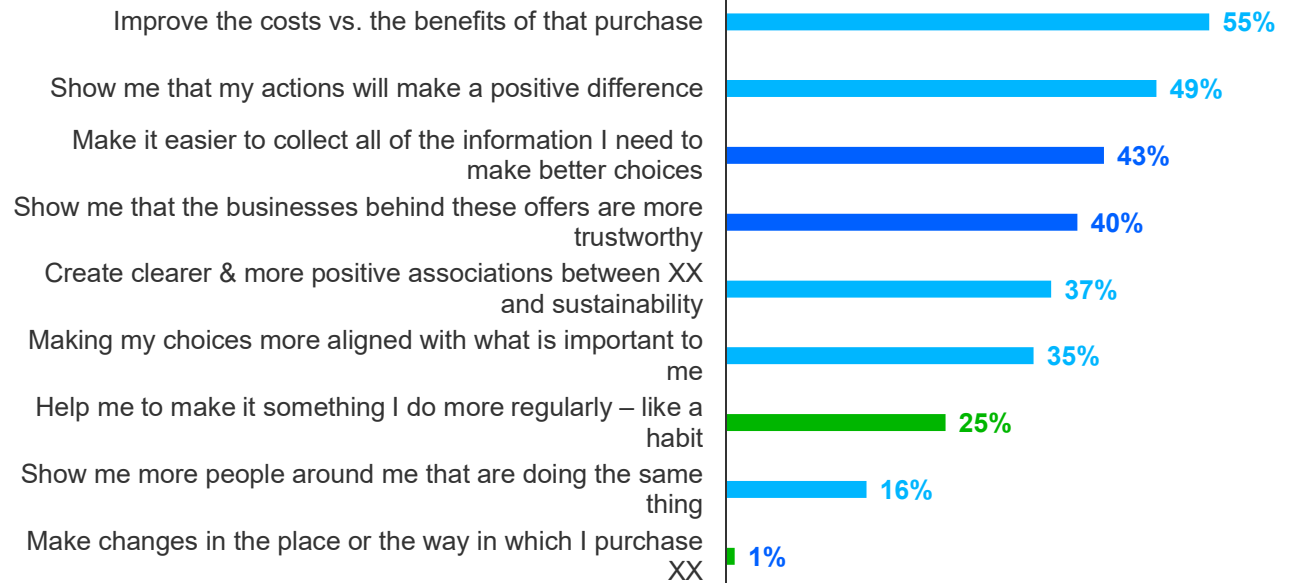
Removing barriers and fuelling the change both have an primary role to play in closing the gaps among NZ consumers

Remove the frictions



Fuel the change

Cement the new behaviour



The key implications are outlined below – firstly all businesses now face a fundamental choice...



Eco-Actives

Easier Sell
More immediate engagement
The green premium



Eco-Considerers & Eco-Believers

Requires more work across marketing, merchandising, messaging etc
More standard category margins

...between Eco-Actives who over time are becoming the mainstream...



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Is this approach however slowing down market development?

Actives have been growing over time, and will soon be past the point of being a targetable minority – they and their values are becoming mainstream

...and the frustrated mass market who are widely not having their needs met



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All behaviours are undertaken less than consumers believe they ideally should be

There is widespread consumer frustration at the narrow range of affordable or accessible options

People want to do better, yet consumers' **unmet needs are being failed at scale**

Making this choice needn't mean a long-term reduction in returns



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Premiums can and will still remain – as they do for any brand in demand – but a larger commercial opportunity is being ignored through a commercial myopia upon the conscious consumer

And it's not just the opportunity cost of what you're not doing, there are clear reputational risks of doing nothing

Such a change in focus also requires a fundamental rebalancing of a consumer's experience of a business



From telling me how good you are



To helping me solve my problems

The gap between the ideal and the actual is significant among consumers, and so the focus must be on removing barriers and fuelling the changes – not simply talking about your credentials and achievements.

Most commonly, this involves communicating that...

The costs vs. the benefits of any purchase have improved

My actions will make a positive difference

It's easy to collect the info to make better choices

Sustainability & affordability are not opposites