



MEDIA RELEASE
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Consumer spending on sustainable lifestyles set to explode

New research shows that the 12 billion dollars Australians spend annually on sustainable and healthy products and services will double within five years, led by a surge in spending by values-driven, conscious consumers.

Mobium Group, a Melbourne based company, has published Australia's first research report into consumers who buy products and services as diverse as grey water systems, organic food, green energy, natural cleaning products, complimentary healthcare and socially responsible investments and finance.

The report's co-authors, Andrew Baker and Nick Bez have spent the past two years exhaustively researching LOHAS (lifestyles of health and sustainability) consumers in Australia, to produce the inaugural *Living Lohas* report. The report contains the only research into LOHAS consumers in Australia.

"Our research shows around a quarter of all Australian adults currently look to buy products and services that support lifestyles of health and sustainability," says Andrew Baker.

LOHAS consumers make choices that reflect their desire for healthier and more sustainable lives and have a view of the world that takes into account personal, community and planetary outcomes. Information in the report will help companies, governments and other organisations respond to this growing market.

"The research shows the demand for LOHAS products and services is set to explode. Businesses that adapt their product and service range to suit the values and aspirations of this emerging consumer group will have a great platform for growth. Those who dismiss LOHAS as a passing fad will miss out," Mr Baker said.

Mobium Group's findings are based on extensive qualitative and quantitative research, including a comprehensive survey of more than 1200 Australians nationally¹. The research is the first of its kind in Australia and follows similar studies that have been conducted in the United States and Japan that identified hundreds of millions of LOHAS consumers globally, spending over \$500 billion per annum.

Price and widespread availability were identified as the main barriers to LOHAS living.

"Our report provides unique insights into LOHAS consumers. It shows they participate across all markets and they'll pay a premium for goods and services that pass their values test," adds Nick Bez.

The report found LOHAS consumers contribute around 12 billion dollars to the Australian economy and the researchers predict an average of 20 per cent annual growth across all categories.

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¹ data normalised to reflect ABS weightings



MOBIUM GROUP

Research Strategy Innovation

ABOUT LOHAS

What is LOHAS?

LOHAS is acronym for Lifestyles of Health and Sustainability. The term can be used to describe a type of consumer and also the market for the types of goods and services they buy.

Who is a LOHAS consumer?

LOHAS Consumers make decisions about where and how they shop *based on their values and world view*, reflecting their desire for healthier and more sustainable lives. LOHAS consumers seek out and support companies and organisations that operate in ways that are consistent with their own values and beliefs. A LOHAS consumer could be anyone from any town in Australia; they are just as likely to shop in a major supermarket and buy a full range of consumer products and services but price and mainstream availability remain the main barriers to further uptake.

When were they identified?

The term LOHAS was first coined almost ten years ago in America, in an attempt to define an emerging trend of consumers making values-based decisions about what they purchased. Research indicates one in six American adults now identify the concepts of health and sustainability as major elements forming their world view and how they live their lives. The LOHAS trend has also spread across many parts of Asia, including Japan, where 70 per cent of consumers recognise the term.

Why do they matter?

Mobium Group's research shows almost four million Australian adults are already LOHAS aligned, with conservative estimates that they currently spend 12 billion dollars annually on sustainable and health-related products and services.

The research shows the purchasing decisions of LOHAS consumers are highly influenced by personal, community and planetary health concerns and they shop across all categories; food and nutrition eg. Organic food, mind and body eg. Natural therapies, home life eg. Home wares, transport and leisure eg. Eco-tourism, buildings and energy eg. Domestic water tanks, work and money eg. Socially responsible investing. The Mobium Group estimates at least 20 per cent annual growth in all LOHAS categories.

The research can help business, government and other organisations to better understand this emerging market and target products and services accordingly.

ABOUT MOBIUM GROUP:

The Mobium Group

The Mobium Group is a Melbourne-based company, specialising in research, strategy and innovation in the markets for sustainability and wellbeing.

Mobium Group's founders have worked at the nexus of consumer behavior, innovation and business for more than ten years and have been applying the LOHAS framework in their activities since 2005.

Its principals, Andrew Baker and Nick Bez, have spent the past two years conducting extensive qualitative and quantitative research, in Australia and across the world, into LOHAS consumers and markets. Their research deals primarily with the consumer characteristics, buying behaviour and purchasing patterns of this substantial and growing market segment.

Andrew Baker

Andrew Baker has spent ten years in corporate, analytical and consulting roles, including experience as a strategy consultant at Accenture, where he held analytical and team leadership roles in strategic reviews of large, publicly owned Australian and Asian corporations. He has a deep knowledge of the business implications of sustainability.

Nick Bez

Nick Bez is a market research expert, with more than fifteen years experience studying consumers in the USA and Australia. He's worked with a number of leading consumer companies, including Australia's largest retailing group, Coles Myer. Nick has won national awards for his work on brand strategy and is professionally accredited (QPMR status) with the Australian Market and Social Research Society.

The Living LOHAS research

In addition to hundreds of face to face discussions with Australian consumers, a national quantitative survey was conducted to inventory the values, attitudes, and actions of adult Australians. The data set was normalised to reflect Australian Bureau of Statistics weightings.

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| Question set: | 220 measures |
| Sample size: | 1,233 |
| Coverage: | All states – metropolitan / regional |
| Screen: | Aged 18 - 69 |
| Data collection: | May and June 2007 |

Participants were asked questions about their values, attitudes and behaviours on a range of issues, including the drought and environment. They were also asked what drives their consumer habits, specifically when making decisions about home life, food and nutrition, housing and energy, transport and leisure, mind and body, and work and money options.