



Metro
+
Regional

SCA research
& insights

Our Environmental Attitudes

A special report from Mood Monitor

May 2018

What the SCA Mood Monitor report is all about

This research was conducted by SCA Research (14-22nd May 2018), who surveyed 3,036 people living Australia across metro and regional centres, aged 18-64 years. Sample was sourced from SCA's own databases and an external sample provider (TEG) to provide a broader representation of the metro Australian mood.

SCA has conducted a Mood Monitor study twice a year for the past 5 years. The purpose of the study has been to ascertain the 'mood' of the nation – and not simply rely on traditional consumer sentiment statistics. We know that people are driven to buy not just with their head, but with their emotions too.

This special report focusses on consumer's beliefs and behaviours around the environment, and what's driving their personal positive eco-action. Businesses' are able to ascertain what these mindsets are and deliver on their customer's expectations, aligning their environmental values with theirs.



KEY POINTS

CONSUMERS EXPECT BUSINESSES TO BE ECO-FRIENDLY

66%

Of consumers are willing to pay more for sustainable brands

Brands and companies must be authentic in their effort to better the environment around them. Consumers demand it and will support brands who demonstrate their commitment to being eco-friendly.

PEOPLE FEEL THEY CAN MAKE A DIFFERENCE TO THE ENVIRONMENT

3 in 4

Australians believe that what they do to improve the environment can make a difference

... and contribute to wider social change (feeling that they can influence those around them). This points to the environment being important to them.
Around 1 in 3 feel guilty about their impact on the environment.

AUSSIES ARE IMPLEMENTING CHANGES TO THEIR BEHAVIOUR TO IMPROVE THE ENVIRONMENT

56%

Of Australians have started something new in the past 12 months around their environmental behaviour

Regional Australia is slightly more likely than their Metro peers to have implemented new positive eco-habits, in line with their worry being slightly higher. Difference generations also differ somewhat in their action begun.

EXPLORING THE MACRO BUSINESS AND SOCIAL CONSCIOUS....

The following slides explore what legislation has been put in place when it comes to the environment, and also what steps are being undertaken by businesses and consumer alike.
Data is primarily sourced from publically available sources.

According to the Intergovernmental Panel on Climate Change (IPCC):

If carbon pollution continues on its current path, the world is likely to have warmed by more than 2 degrees Celsius by 2050.

Global warming of this nature represents a risk to many businesses, and anyone who invests in them.

According to Deloitte Access Economics:

An increase in natural disasters alone, ignoring impacts on things like water resources and the direct effects of heat, will cost Australia an extra \$20 billion every year by 2050.

Policy and grassroots movements around the environment appear to be strengthening...
...as the acceptance that humans are impacting nature and that we can take action to minimise that impact.



PARIS AGREEMENT SET FOR 2022 – GLOBAL WITH 195 COUNTRIES SIGNING TO REDUCE CLIMATE IMPACT

Australia has set a target to reduce emissions by 26-28 per cent below 2005 levels by 2030 – **NEG about to be implemented** (Aug, 2018).



THE LAST STRAW

Campaign to reduce the use of plastic straws in venues around Australia – 155 venues on board with 20 million straws saved so far.

THRIFT SHOPPING RISE

+2.7% annual growth in revenue 2011-18 in Australia



23 YEAR OLD SUES AUSSIE SUPER FUND OVER LACK OF CLIMATE CHANGE PLANNING TO SECURE FUNDS

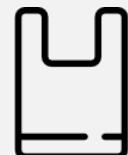
(July, 2018)



RENEWABLE ENERGY INVESTMENTS

Large-scale wind and solar project activity pushed investment in Australia up 150% to a record US\$9 billion in 2017.

SINGLE USE PLASTIC BAG BAN IMPLEMENTED IN SUPERMARKETS NATIONALLY JULY 1



REUSEABLE COFFEE CUPS

Responsible Cafes now have 3,750 Australian cafes signed up to incentivise reusable cups, up from 400 after being mentioned on the ABC's War on Waste program....KeepCup's sales increased +400% after the program aired.

Globally and here at home, consumers are increasing their efforts to make eco-changes themselves, and expect businesses to do the same. People are wanting to buy from brands that hold the same values as theirs... and they're willing to pay for it.

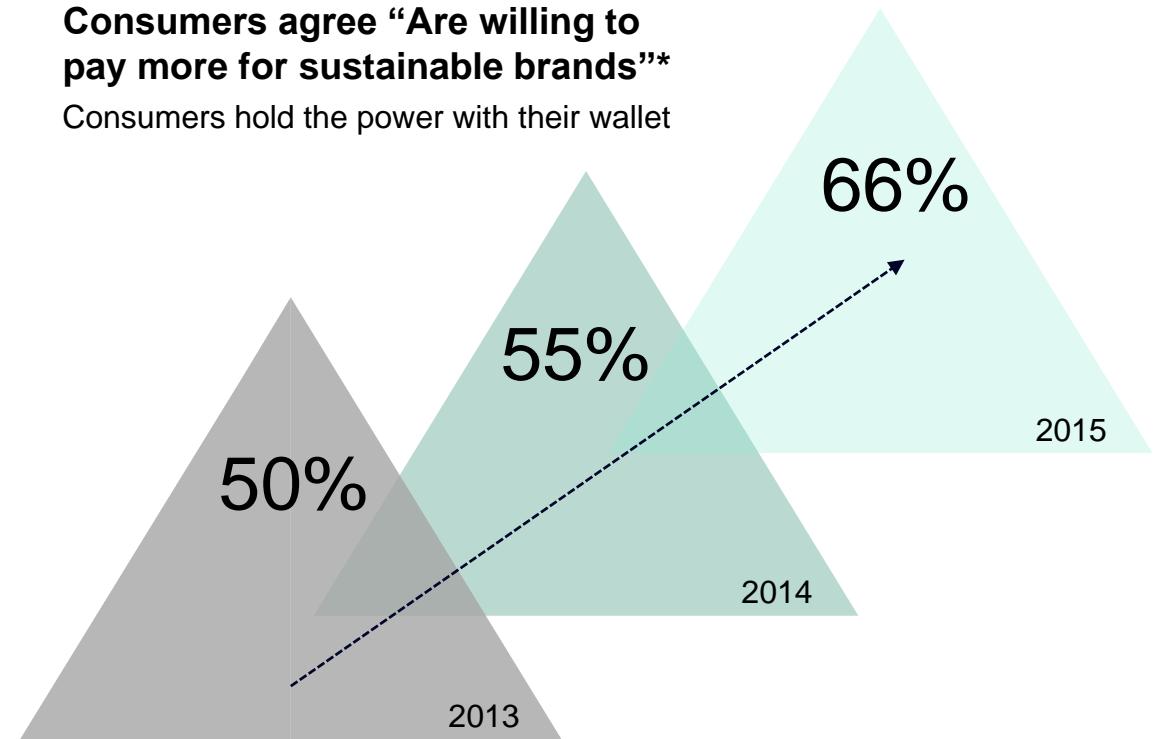
SCA Research & Insights Mood Monitor
Study shows that...

66%
OF AUSSIES

have made changes to their habits
to be more environmentally
friendly in the past 12 months[^]

(70% regional | 62% metro)

**Consumers agree “Are willing to
pay more for sustainable brands”****
Consumers hold the power with their wallet



The business world is responding to consumers' shift in attitudinal and behavioural change towards protecting nature, and it's positively impacting their reputation and consequently their revenue.

STRATEGY

Conducting environmental audits

Highlights how the business affects the environment and sets a benchmark for improvement.

Going carbon neutral

Commitment to going carbon neutral, that is, reducing emissions and compensating for the remainder by investing in carbon reduction projects to achieve net zero carbon emissions.

Voluntary environmental reporting

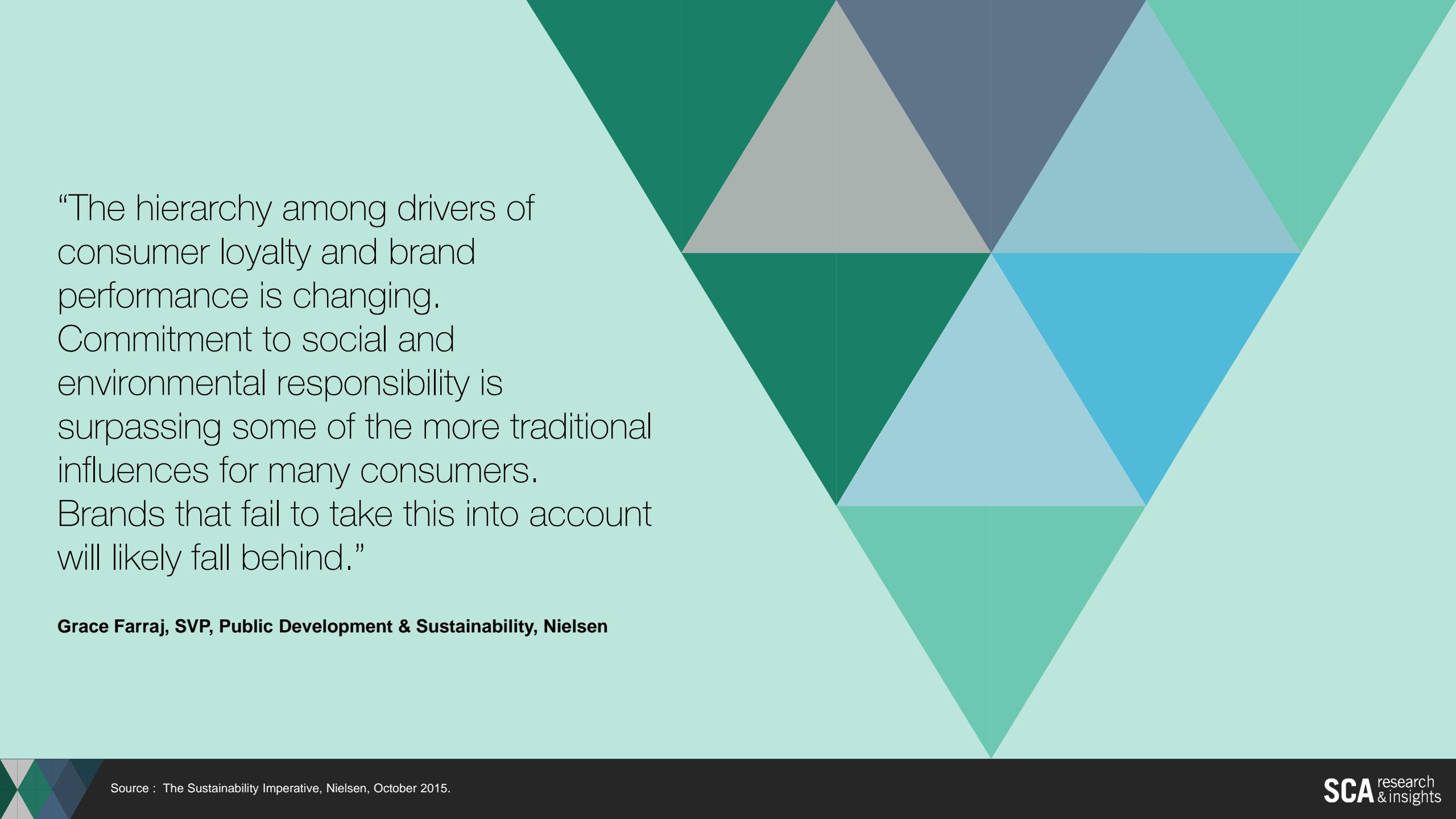
Voluntarily report on areas such as greenhouse and energy, corporate sustainability, triple bottom line and natural resource management.

IMPLEMENTATION

- Less waste
- Less consumption
- Sustainable material source
- More energy efficient
- Less packaging
- Recycling/upcycling
- Use local suppliers (lower mileage in the chain)
- Invest in new technology
- Investing in environment projects

Protecting the environment, protects your bottom line... as long as your efforts are authentic and altruistic.

In 2015 sales of consumer goods from brands with a demonstrated commitment to sustainability grew more than 4% globally YOY, while those without grew less than 1%.*



“The hierarchy among drivers of consumer loyalty and brand performance is changing. Commitment to social and environmental responsibility is surpassing some of the more traditional influences for many consumers. Brands that fail to take this into account will likely fall behind.”

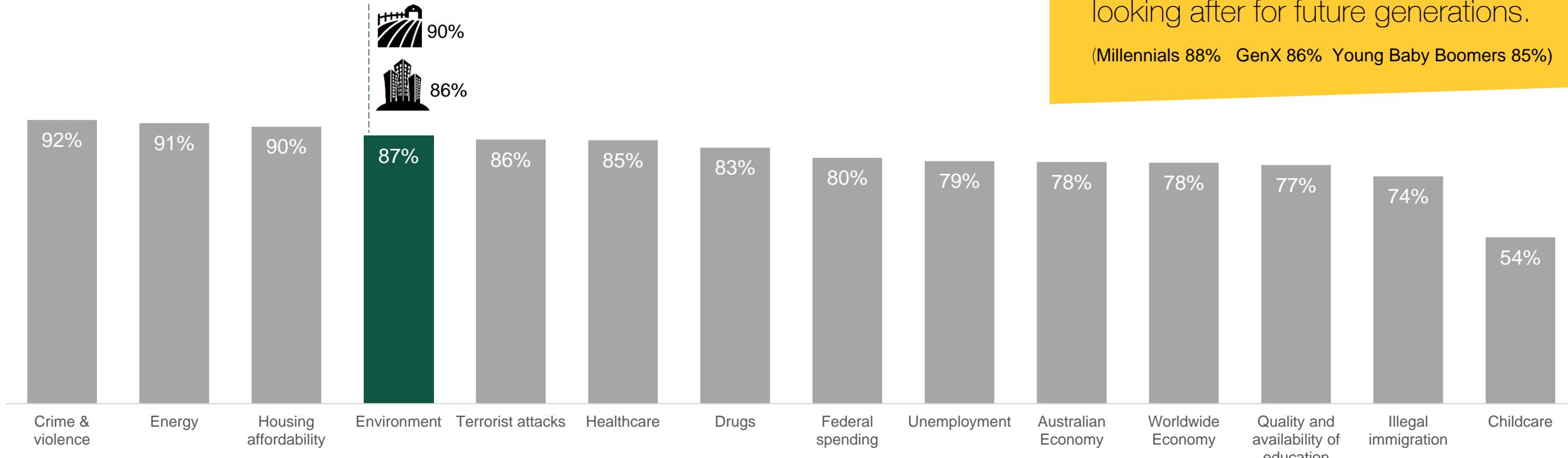
Grace Farraj, SVP, Public Development & Sustainability, Nielsen

AND THIS IS WHAT AUSTRALIANS ARE TELLING US...

The following slides explore insights gathered from SCA Research & Insights Mood Monitor.

Nearly all Aussies are worried, to some degree, about the environment.
 It is the 4th most worried about issue, of more concern than healthcare and unemployment.
 Regional Australia is slightly more worried about the environment, likely due to them feeling the impact more directly such as some areas experiencing prolonged drought.

How worried are you about the following things? TOTAL WORRIED



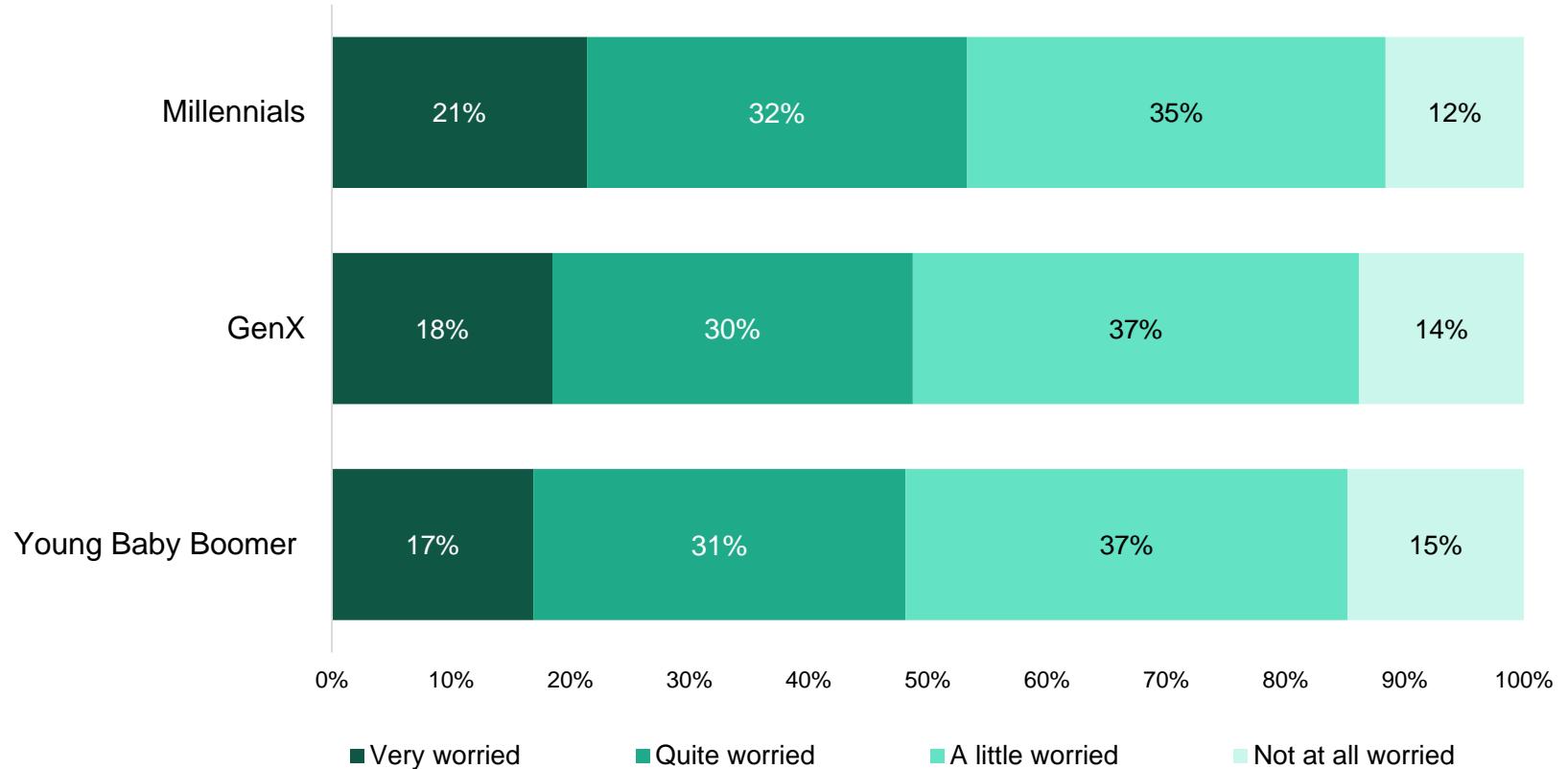
Age or lifestage doesn't appear to impact the collective thought that the environment needs attention and looking after for future generations.

(Millennials 88% GenX 86% Young Baby Boomers 85%)

Varying levels of environmental concern show that the generation feeling ‘very worried’ are the Millennials. In their life-time there has been a large groundswell of noise and action around bettering the environment, something not seen to this degree before.

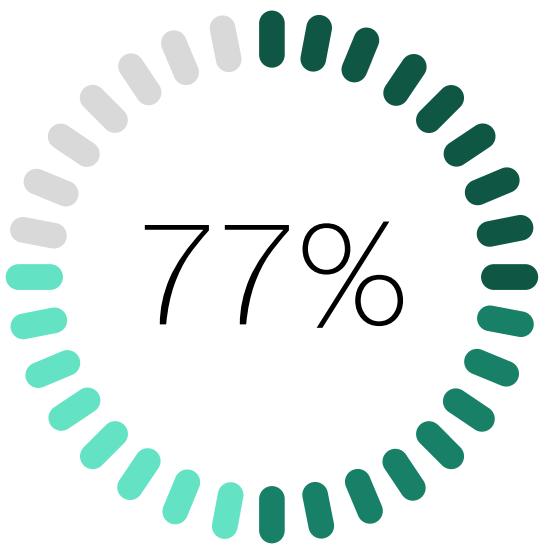
How worried are you about the following things?

ENVIRONMENT - LEVELS OF WORRY

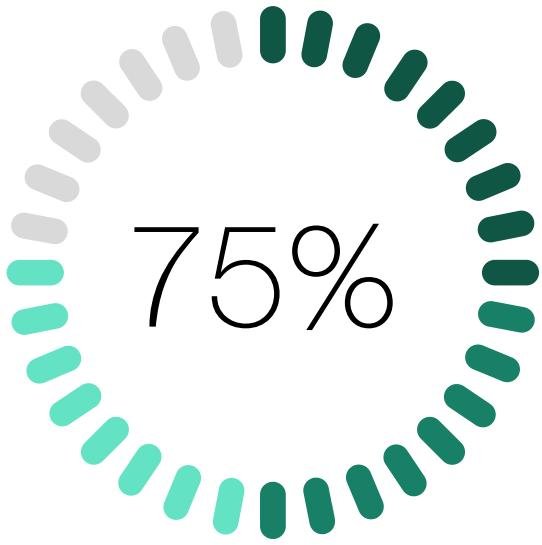


3 in 4 Aussies believe that what they do to improve the environment, CAN make a difference and that their actions can influence others (contributing to wider social change)

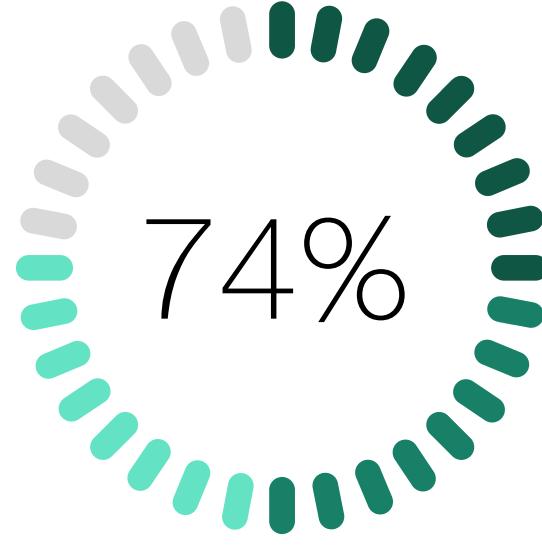
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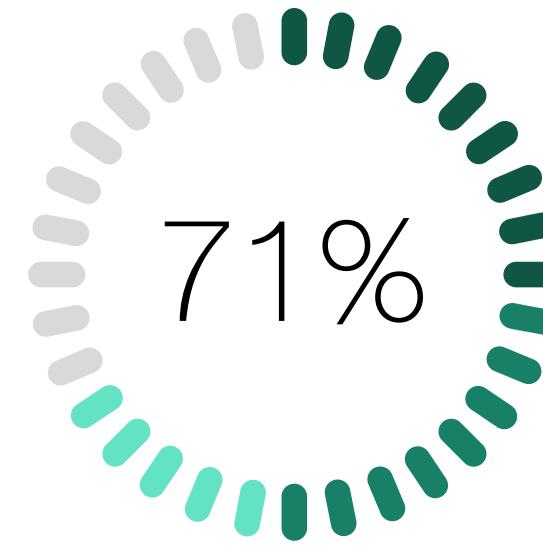
People are taking more interest in having a healthier lifestyle these days



Governments need to take strong action to drive environmental change



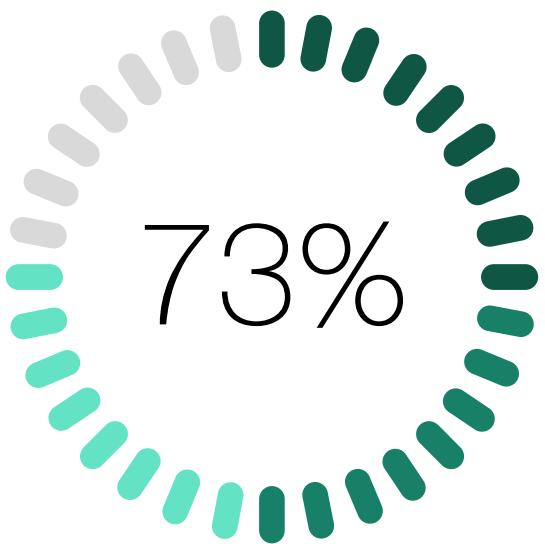
Reducing my impact on the environment in even the smallest of ways is contributing to wider social change



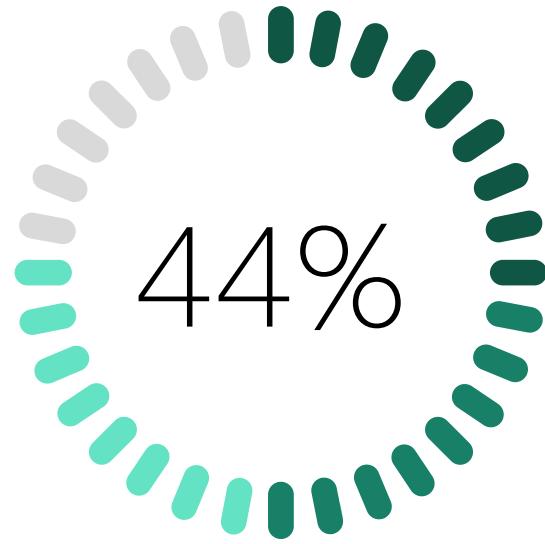
Supermarkets getting rid of single use plastic bags is a fantastic idea

There is a level of guilt amongst some Aussies. 41% of Millennials say they feel guilty about their impact on the environment- well above GenX (28%) & Young Baby Boomers (21%)

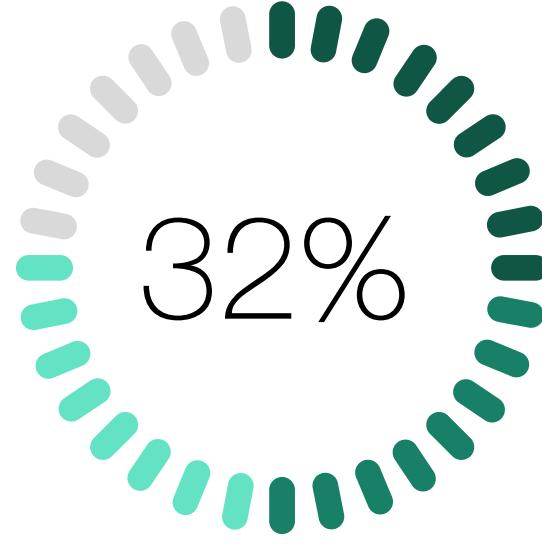
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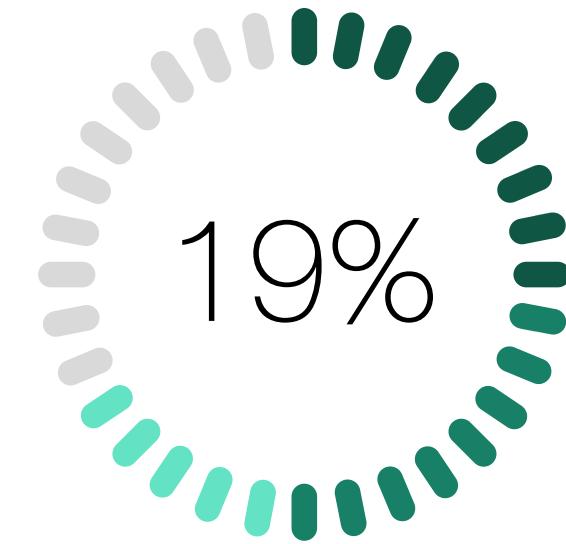
Climate change is real



People need a financial benefit
before they'll make changes to
their behaviour when it comes
helping the environment



I feel guilty about my
impact on the
environment



One person's actions
won't make much of
a difference to the
environment



40%



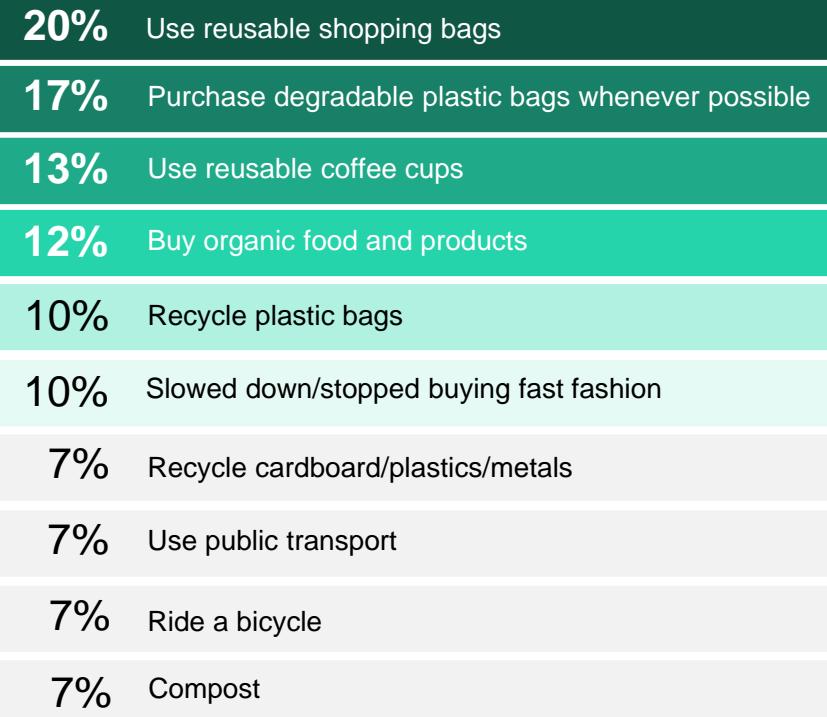
48%

56%

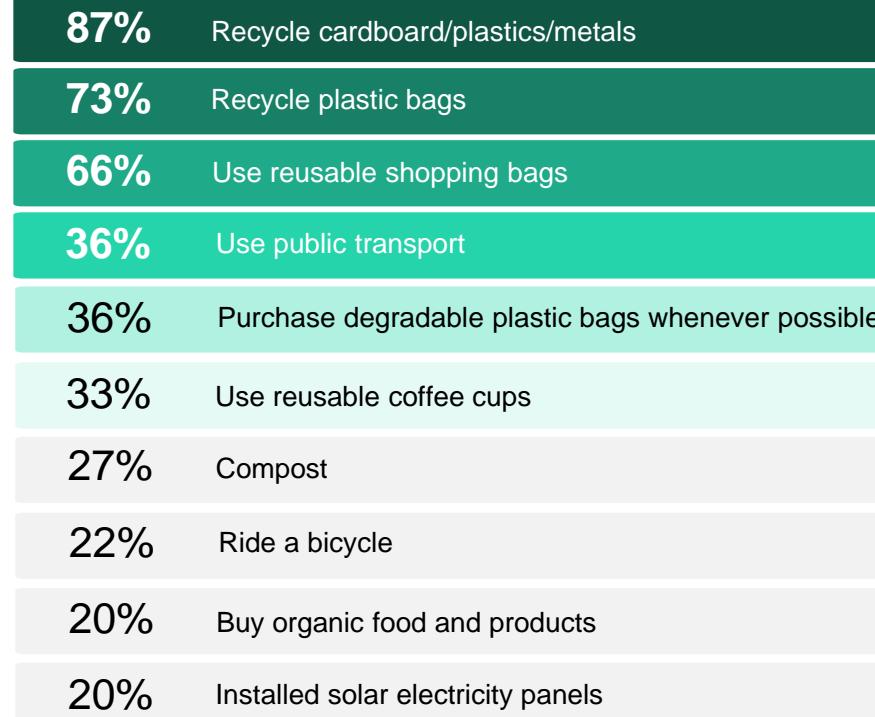
of Aussies have started doing something new in the past year to minimise their impact on the environment

Regional Australia hold more concern for the environment and consequently close to 6 in 10 have begun taking more action than their metro peers (59% Vs 54%). Millennials are the most guilt-ridden when it comes to their impact on the environment, and in line with this, their 'activity started' is the highest of all generations (61% Vs 56%). However this may also be because many are starting to move out of home and are now making household decisions for the first time.

ACTIVITY STARTED



ACTIVITY CONTINUED



Tap into this new and established behaviour of consumers through demonstrating and involving them in your genuine environmental efforts. Show them the way – be a leader.

Source : SCAR Consumer Sentiment Study, May 2018, "Have you started, continued or stopped any of the following activities in the past 12 months?" TOP TEN.

Total n=1987 Millennials n=868 GenX n=737 Young Baby Boomers n=375 Metro n=1124 Regional n=863

NOTE: THIS STUDY WAS CONDUCTED PRIOR TO THE NATIONAL SINGLE USE PLASTIC BAG BAN IN SUPERMARKETS WHICH CAME INTO EFFECT JULY 1 2018. AS AN INDUSTRY INITIATIVE OF COLES, WOOLWORTHS AND ALDI – THE SAME DATE QLD AND WA INTRODUCED THEIR STATE-WIDE BAN FOR ALL RETAILERS (ALL STATES AND TERRITORIES (EXCEPT NSW) HAVE STATE LAWS IMPLEMENTED FOR PLASTIC BAG RETAILER USE – SEE APPENDIX).

9%

of Aussies have started or continued to be a vegetarian or vegan in the past year.

Switching to a plant-based diet is now no longer seen as an extreme hippy way of eating, with many Australians jumping on board for health and environmental reasons. There is very little difference in uptake of these diets between generation or city Vs country.

VEGETARIAN

MILLENNIALS	3% started 5% continued 4% stopped
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GENX	3% started 4% continued 2% stopped
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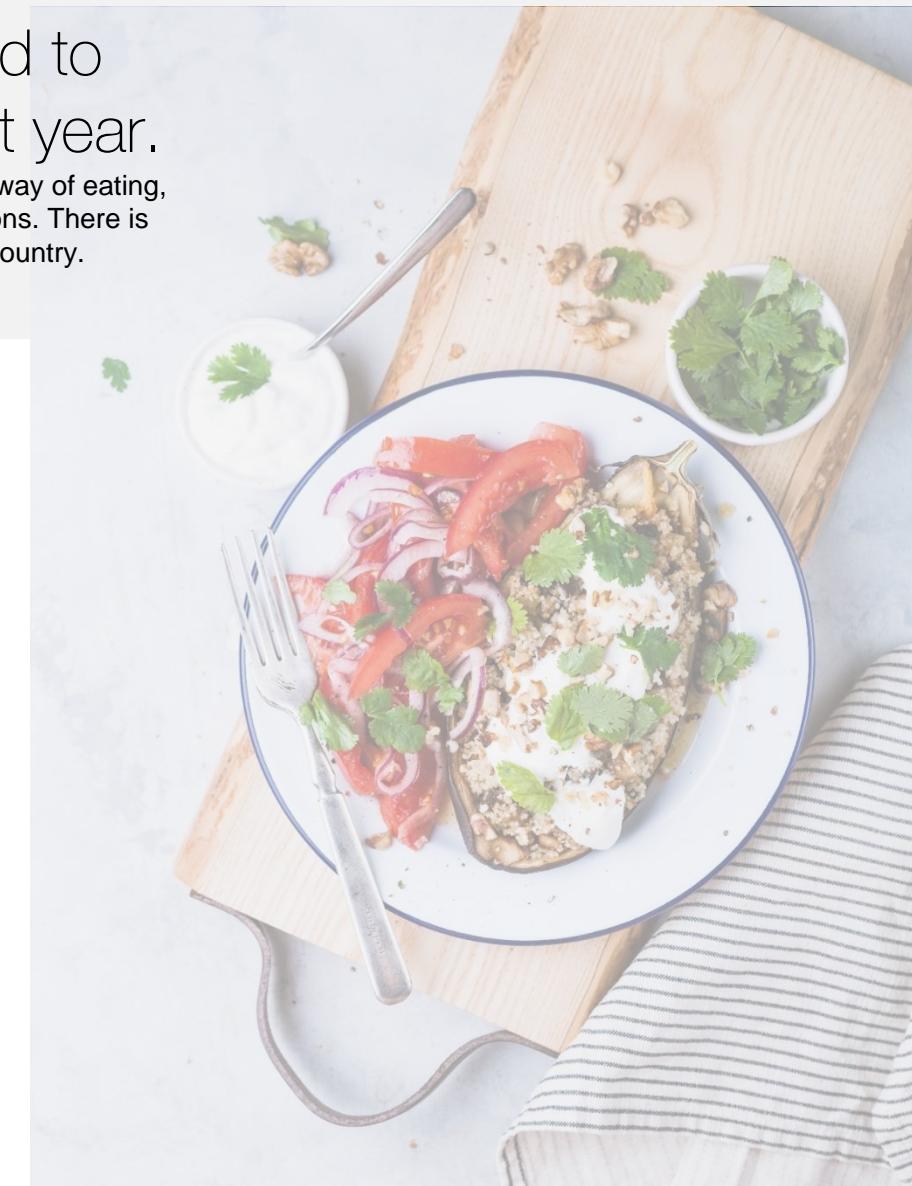
YOUNG BABY BOOMERS	3% started 3% continued 1% stopped
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VEGAN

MILLENNIALS	2% started 2% continued 2% stopped
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GENX	2% started 2% continued 1% stopped
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YOUNG BABY BOOMERS	1% started 2% continued 1% stopped
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Millennials are cutting back on fast fashion and upping their purchase of organic fruit & vege

Cheap fashion has never been more widely available in Millennials life-time, so it makes sense that they are the generation who are most likely to have been consumed by the appeal of affordable, throwaway clothes... but they are seriously looking at reducing this behaviour. More of their money is going towards organic produce instead.

What's interesting is that this age group index at 128 for feeling guilty about their impact on the environment, however their attitudes don't seem to be flowing through to improving their behaviour as much as you'd suppose. Perhaps they are feeling so guilty due to their lack of personal environmental action!

AS A BUSINESS, ASSIST MILLENNIALS TO DO THEIR PART TO MAKE A DIFFERENCE AND LOWER THEIR GUILT LEVEL.



1 in 3

(32%) of Millennials started or continued to stop/slow down buying fast fashion in the past 12 months
(Vs 27% all people)



1 in 3

(35%) of Millennials started or continued buying organic food and products in the past 12 months
(Vs 33% all people)
Young Baby Boomers are 34%

GenX is the generation with the most full-time workers, so it makes sense that they are the age group most likely to catch public transport and ride a bike than others

Most GenX are 'continuing' this transport behaviour, with 7% starting this public transport or bike riding action. However what is disappointing is that there is also a portion who have 'stopped' this behaviour in the past year (13% for public transport and 22% for bike). Other generations have a similar 'stopped' percent, particularly for bike riding with reasons perhaps ranging from lack of road safety, lack of bike paths, a job or lifestyle change.



1 in 2

(48%) of GenX started or continued to catch public transport in the past 12 months
(Vs 43% all people)



1 in 3

(32%) of GenX started or continued to ride a bike in the past 12 months
(Vs 29% all people)
Young Baby Boomers are 30%

Young Baby Boomers are most conscious of their plastic bag use... and make the effort to turn their fruit and vege waste into gardening food.

In many respects, this generation might be the most environmentally conscious with some key behaviours showing strong results, and this is despite the Millennials group being the age group who are reporting feeling more worried and more guilt over the environment.

As well as plastic bag recycling and composting, they are also least likely to have ever bought **fast fashion** (69% Vs 62% all people) and most likely to have **installed solar electricity panels** (38% Vs 25% all people).



90%

Of Young Baby Boomers started or continued recycling plastic bags in the past 12 months (Vs 83% all people)

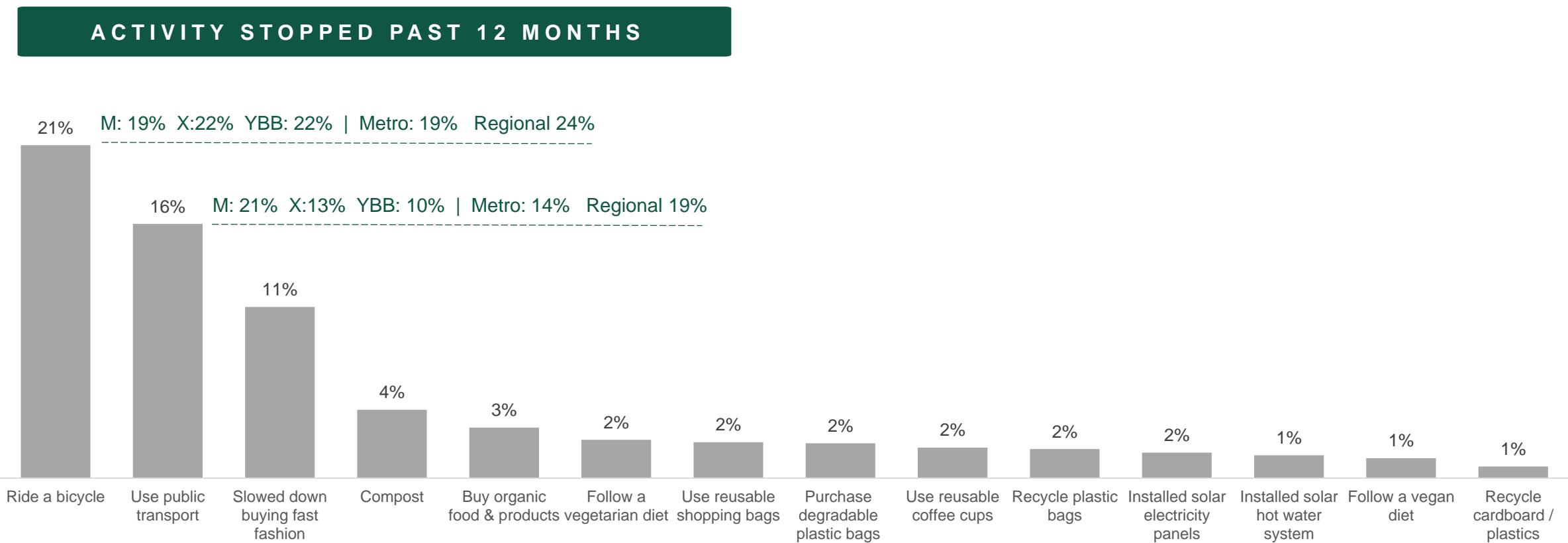


51%

Of Young Baby Boomers started or continued composting in the past 12 months (Vs 34% all people)

Activity most likely to have been stopped in the past year is centred around transport

In total, 44% of Australians have stopped doing something to minimise their environmental impact in the past 12 months. Whilst this figure may appear to be high, it is mainly comprised of bicycle and public transport use ceasing. As mentioned in the GenX slide, there may be many reasons behind why people have changed their behaviour around this from personal circumstance change to transport route, cost and availability.

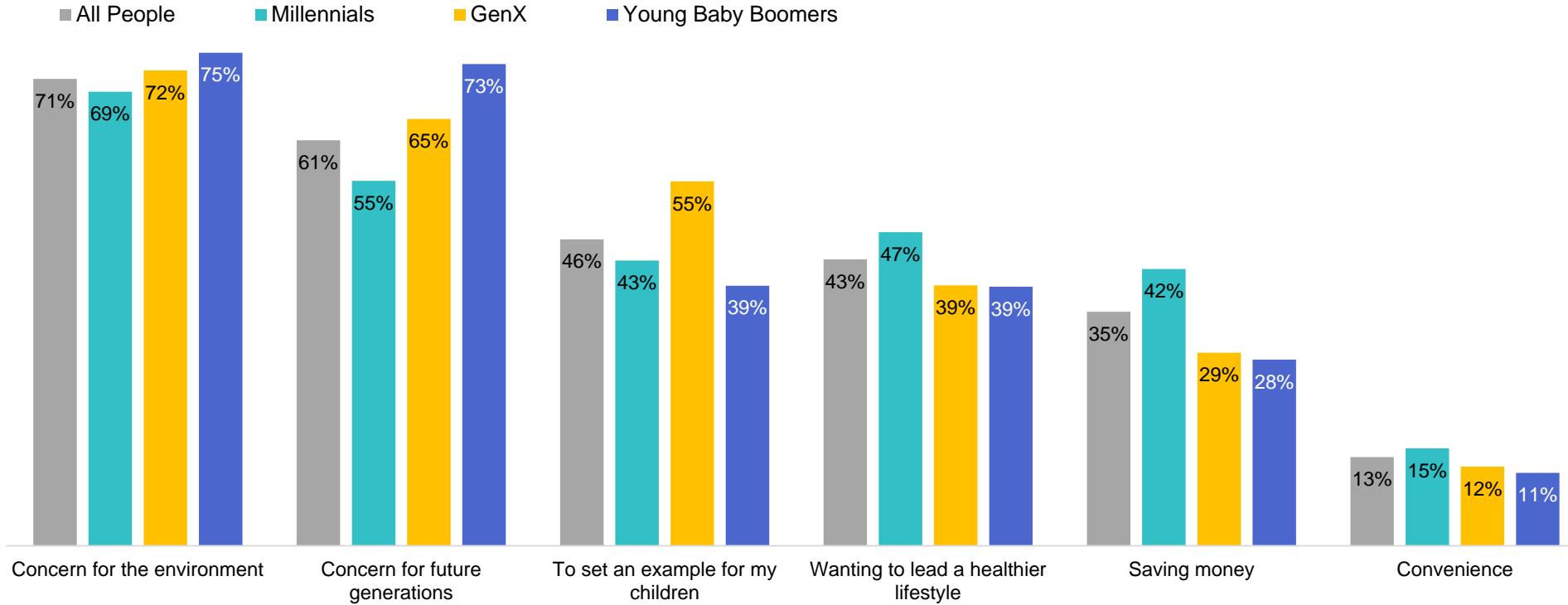


What's motivating this environmental action? Overall people say their concern for the environment in general is their number one driver...

However younger people are more likely to be motivated by self-interest (saving money and a healthier lifestyle) and older generations through more altruistic reasons (future generations)

Which of the following reasons would explain WHY you decided to take this action?

Filter: Started doing something for the environment in the past 12 months



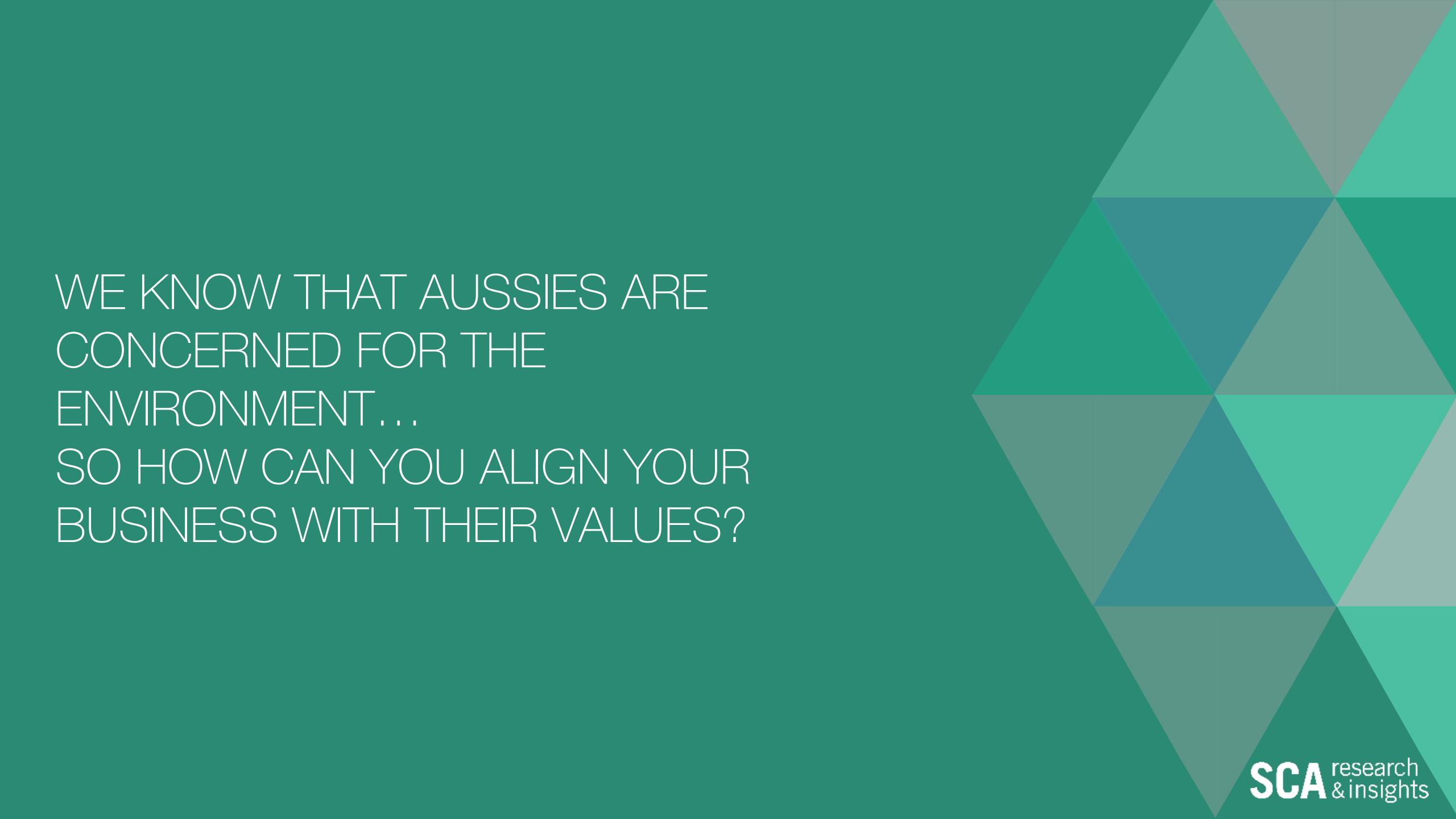
Thought Starters

To what degree are eco-actions motivated by genuine concern Vs herd mentality Vs social status/look at me?

Does this matter, so long as the end behaviour is positive?

How can these true drivers be harnessed to maximise action?

Tap into these motivating factors to help consumers make a difference, with you.



WE KNOW THAT AUSSIES ARE
CONCERNED FOR THE
ENVIRONMENT...
SO HOW CAN YOU ALIGN YOUR
BUSINESS WITH THEIR VALUES?

When purchasing non-durable items, close to **1 in 2** people say that a businesses' **eco-friendly status** is a key driver to buying their products whilst **environmentally friendly packaging** is also a heavy influence for **41%**

"Thinking about the consumable brands (non-durable) you purchased in the last week, (eg: food, drinks, toiletries, over-the-counter drugs), how much influence did the following factors have on your purchase decision?"

VERY HEAVY/HEAVY INFLUENCE



DEMONSTRATE YOUR GENUINE ECO-EFFORTS, PROMOTE AND REAP THE REWARDS

CONDUCT CREDIBLE ECO-FRIENDLY CORPORATE BEHAVIOUR

- What are your target market's expectations?
- What eco action fits with your brand?
- Design an environment strategy that sits right throughout the organisation which is long term, practical and measurable.
 - Minimise waste
 - Source more sustainable materials
 - Consider less packaging
 - Partner with community initiatives

MARKET THIS POSITIVE ENVIRONMENTAL ACTION

- Most brands across the globe use 'marketing only' tactics to promote their sustainability efforts (65%) followed by 'product claims + marketing' at 29% (eg: sustainable source of ingredients)
- Over 1 in 3 consumers say that seeing a TV ad about the social/environmental good that the brand is doing, influences their decision to purchase from that brand

GROW BRAND TRUST AND REVENUE

- 62% of consumers say brand trust tops the list of factors influencing purchasing... and demonstrating real environmental impact improves trust levels
- 66% of consumers say they are willing to pay more for sustainable brands
- Sales from brands with a demonstrated commitment to sustainability grew more than 4% globally YOY, while those without grew less than 1%.*

For more information please contact:

SOUTHERN CROSS AUSTEREO RESEARCH | scaresearchedpartment@sca.com.au

Research Methodology

The results of this survey are “INDICATIVE” ONLY

The survey was conducted by Southern Cross Austereo using its online panel nationally.

The panel is obtained from our radio networks database under the labels of ‘Hit VIP’ on the HIT Network and ‘The Club’ on the MMM Network. All members of these databases would be considered listeners to these stations.

The database contains about **200,000** members.
This is split between the Hit database and the Triple M database.

Of these members, approximately 20,000 people were invited to be part of our Insights panel community. This survey recruited members with approximately 3036 completing the study.

Various filters have been placed over the data at different times.

Certain questions asked for an ‘essay’ or ‘verbatim’ type of response OR brands/words that first came to mind.

A keyword search was used to sort and rank the responses to these questions.

The results are an un-weighted sample, but are reflective of the Southern Cross Austereo Austereo audience. SCA brands reach approximately 40% of the 10+ population and approximately 46% of the 25-54 population in the five metropolitan markets in Australia, suggesting it would be reasonable to consider these results to be a fair if not fully balanced representation of the opinions in these marketplaces.

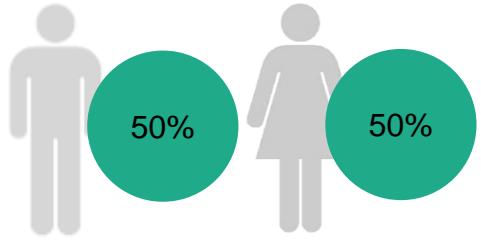
Furthermore, as it is an online survey, the respondents would also be skewed towards being ‘early adopters’ for technology, ‘trend setters’ in general and likely to be a good early indication of brand leaders, trend setters and early adopters in general.

These research surveys conducted by Austereo are done so to provide a general understanding of the opinions, interests and attitudes of the metropolitan marketplaces only.

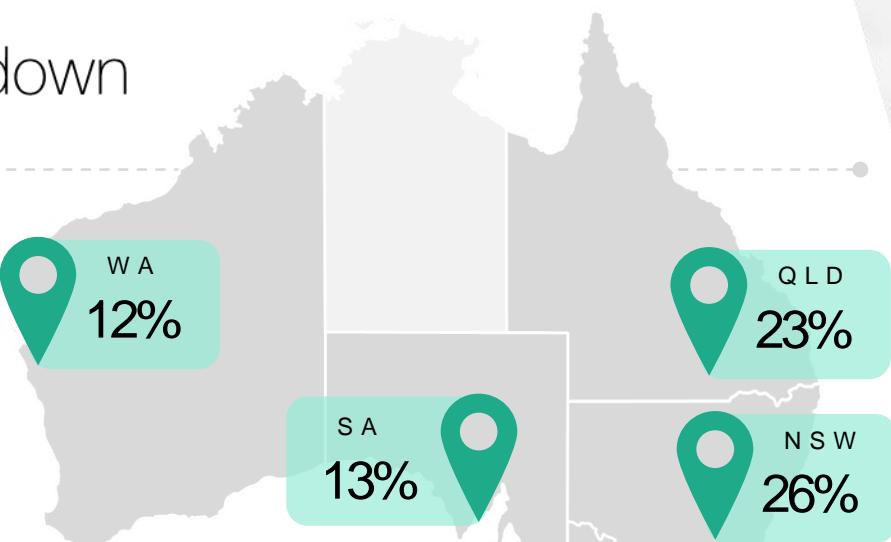
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Photos: <http://www.unsplash.com>

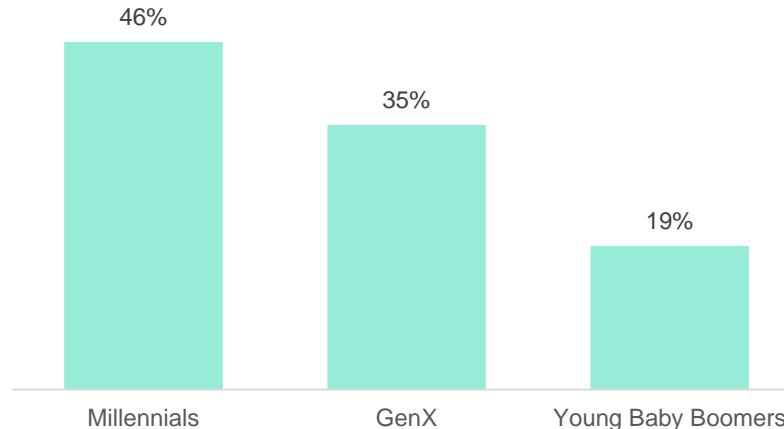
Respondent Breakdown



Gender Breakout



Generation Breakout



Region Breakout



AUSTRALIAN STATES AND TERRITORIES WITH PLASTIC BAG BANS ACROSS ALL RETAIL BUSINESSES

