ReGenForTheNextGen™

NATIONAL CONSUMER RESEARCH REPORT

THE EMERGING
REGENERATIVE CUSTOMER

What They Think, How They Feel, & What They're Urging Companies To Do Next

> *"Now that I understand what regenerative businesses offer and have seen the example of regenerative agriculture, it shows me that they do more than just promote the "good" of their business, but they also try to have a lasting effect on the planet as a whole, not just to even out the effects of their business."*
>
> *— February 24th 2019 (verbatim customer response)*

WHOLE HEALTH MARKETING

by WHOLE HEALTH MARKETING™
in partnership with **ReGenFriends™**

THE EMERGING **REGENERATIVE CUSTOMER**

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INTRODUCTION

Whole Health Marketing & ReGenFriends™

THE EMERGING **REGENERATIVE CUSTOMER**

THE RACE TO PROSPERITY IS ON

The starting gun has been fired.

We believe a regenerative economy based on businesses utilizing the principles of regeneration (restore, renew and grow) offers the greatest economic opportunity of this century. We have termed it "A Race to Prosperity" for those companies and organizations that embrace regenerative systems and values into the fabric of their operations. **More importantly, regenerative is inclusive of sustainability, organic, conventional, GMO, Non-GMO, syntropic farming, agroforestry, silvopasture, the circular economy, doughnut economics, closed loop, and capitalism in its most profit-hungry form.**

The key to success for companies, brands and organizations into the future will be full transparency about themselves, their suppliers and their products and services. To summarize, what the consumers said about Regenerative was, "Love it. Prove it."

Moreover, it's not only food and beverage companies that will benefit from this shift. Personal care, clothing, housewares, beauty, footwear, electronics and sportswear companies are all welcome, and in fact their economic lives depend on it. The consumers we surveyed demonstrated an eagerness and willingness to admire, embrace, and support companies, brands and organizations committed to a regenerative future.

The findings that follow provide a cascade of data points, as well as the emotional connections, that set the stage for a bristling, energized and scalable business environment focused on regeneration, co-created by consumers and brands.

On the following pages you will discover insights to support these views.

The race has begun...

SURVEY **OVERVIEW**

SURVEY OBJECTIVES

The primary objective of this research is to assess the customer appeal of "regenerative" as a communication platform that leads to positive impact on reputation, revenue, profits and risk reduction.

The secondary objective is to determine if customers associate "regenerative" as a superior principle over "sustainability" to shape and guide their purchases more purposefully.

METHODOLOGY

The data in this report are based on a nationally representative survey of 1,450 American adults, aged 18 and older. The survey was conducted February 21 - March 4, 2019. All questionnaires were self-administered by respondents in a web-based environment. The survey took, on average, 27 minutes to complete and was entirely text based with no visual imagery.

The sample was drawn using probability sampling methods from a proprietary recruitment system to recruit, screen, survey, message, re-target and compensate participants in the United States. The sample therefore includes a representative cross-section of American adults. Key demographic variables were designed to match U.S. Census Bureau norms.

All data and open-ended responses (5,754 in total) provide the raw data that led to the analysis, conclusions and recommendations.

The survey instrument was designed by Nils-Michael Langenborg, President & CEO of Whole Health Marketing and Emily M. Olson, Co-Founder & CEO of ReGenFriends™

THE REGENERATIVE CUSTOMER

SHOPPING IS MORE THAN PRICE
IT'S ABOUT TRANSPARENCY & IMPACT

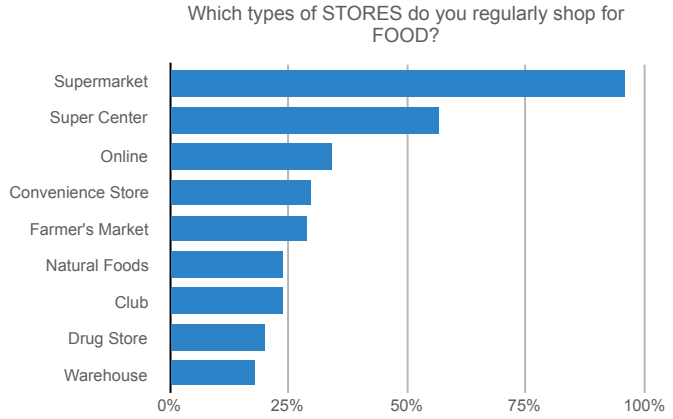
> *"I'd like to know the carbon impact of everything that I buy so that I can choose between brands that at least try not to kill us all, and brands that just don't care at all. It would be easier when making decisions, and I think it would guilt me into making better decisions more often." — Female, 25-34, New Jersey*

Consumers shop at eight different types of stores as well as online for food, which excludes their out-of-home choices like foodservice. Moreover, they shop at multiple types of other retail outlets like clothing, department, pet, beauty, footwear, electronics and sportswear retailers on a regular basis.

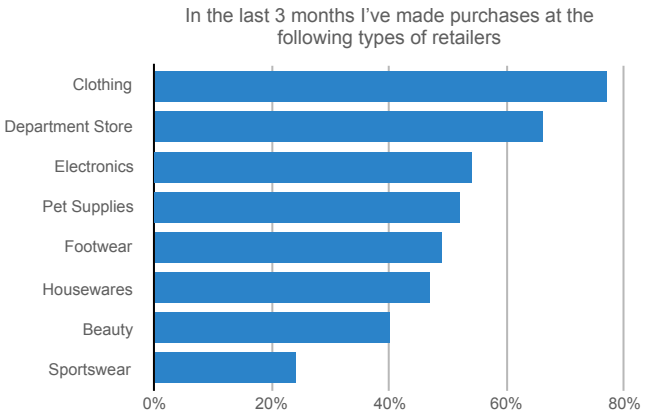
In the open-ended responses they reported that price drives many final purchase decisions, but **we discovered that transparency and sourcing is a predominant purchase attribute that can overcome price friction within any retail store channel**. Price is only one part of the equation.

When asked how true a statement was to them, they scored an 8 on a re-calibrated 10-point scale for "I wish companies would be more transparent about their own role in climate change" and "fully disclose their environmental impact." For those looking to compete beyond price, the window of opportunity is wide open to showcase deep transparency. **Consumers want the whole story.**

1. STORES SHOPPED FOR FOOD



2. OTHER RETAILERS SHOPPED



*PERCENT OF RESPONDENTS WHO AGREE WITH THESE STATEMENTS**	
I'm satisfied with the current "green/sustainable" product offerings	*34%*
I believe there's a link to what I buy and its direct effect on people and planet	*65%*
I wish companies would be more transparent about their own role in climate change	*75%*
I'd like a simple scoring system on products I buy to help me understand their impact on people and the environment	*72%*

*ranking 5,6,7 on a scale of 1-7

pages 7 -23 not included

RECOMMENDATIONS

BEGIN TODAY
BECAUSE YESTERDAY WAS TOO LATE

> *"I hope that the regenerative option is actually in place or will be soon. Our country is falling behind in helping the issue of climate change to slow down and we need to do something before its too late."*
> *— Female, 65+, South Carolina*

93% of on-line experiences begin with a search engine. **Typing "green products" into the Google search engine delivers over 12 billion results**, while in contrast "green washing" generates a nearly imperceptible 3 million. "Sustainable products" yields 621 million results. By contrast, "eco friendly" results in 319 million results. Type in "regenerative" products and you receive 27 million results, most touting medical and dental devices, stem cell tissue regrowth, and types of beauty treatments.

When you Google, "organic products" you receive 736 million results. When the organic label began to show up on products in 2002 it was a very nascent industry. However, with the USDA backing the regulatory oversight, consumers felt they could trust the label. As a result, more and more products began to show up with the organic seal in the food and beverage aisles. Clothing soon followed. Then wines, and even food service as consumers began demanding more organic products due to its perceived "better for you" positioning. As cited earlier, the organic market is now over $50 billion here in the USA. Yet, with a growing number of large producers transitioning some or all of their business to organic to capture the market, challenges to the label's legitimacy have arisen, as evidenced by two scathing Washington Post investigative pieces spotlighting the USDA's failure to regulate organic products. A 2015 study by market research firm Mintel found that more than one-third of shoppers are skeptical that organic products are any better than conventionally grown food.

In 2007, the non-profit Non-GMO Project was launched to place a verification seal on products made without the use of GMO's. Their first trade show appearance was a small table in the basement exhibit area of the Natural Products EXPO in Anaheim. After three years of establishing criteria and oversight mechanisms products began showing up on the shelves with the "butterfly" seal. While many consumers couldn't fully explain what a "GMO" was, they saw Non-GMO as having inherent positive qualities. Sales are estimated to be $3.5 billion.

Similar to the rise in organic and Non-GMO in the lexicon of consumers that started in the food world, **we believe that "regenerative" will share the same rise in familiarity, adoption and diffusion into the marketplace**. **Moreover, it'll permeate many industries beyond just food**. According to this research, consumers across all categories of products are extremely interested in adopting regenerative systems and values by rewarding them with their purchases.

With over 30 years in the marketing industry, we can report that these findings are truly stunning. **We have never seen a switch between pre and post preference to this degree**. From 8 in 10 preferring sustainable, to 8 in 10 preferring regenerative was a surprise. Given that the research was purely text based, with no graphic inputs or stimulus, and given the fairly brief descriptions given for both regenerative business and regenerative agriculture, this pivot was truly remarkable. Moreover, the open-ended responses, in which we find much of the nuance that colors the responses to preference and rating scales, **we found a deeply emotive connection with regenerative**. We believe there's more work to be done in the exploration of regenerative as a communication platform. As such, individual companies, brands and organizations should explore their own opportunity to adopt a regenerative platform that meets both their needs and those of their customers. The market opportunity is enormous.

The race is on.

APPENDIX

COMPLETE LIST OF AVAILABLE CHARTS & GRAPHS

CHARTS BY QUESTION

1. Stores shopped for foods
2. Other retailers shopped
3. Food purchased as organic
4. Term familiarity regenerative vs sustainable
5. Term preference (beginning of survey)
6. Personally affected by climate change
7. Role of business values to personal buying choice
8. Importance of business practices
9. Importance of agricultural practices
10. Treatment of farm animals
11. Regenerative purchase intent
12. Term preference (end of survey)
13. Importance of knowing how & where food produced
14. Percent trust in USDA organic label
15. Regenerative as “a minimum produced as organic”

DEMOGRAPHICS

16. State of residence
17. Type of community
18. Age
19. Marital status
20. Number of children under 18
21. Highest level of education
22. Employment status
23. Household income
24. Gender
25. Political party

BEGINNING VS END OF SURVEY TERM PREFERENCE

26. Side by side - pie chart
27. Side by side - bar graph
28. Stores shopped for food
29. Other retailers shopped
30. Personally affected by climate change

ROLE OF BUSINESS VALUES TO PERSONAL BUYING CHOICE

31. Link to what I buy
32. Wish companies more transparent
33. Simple scoring system
34. Brands could do better job
35. Interested in technologies
36. Regenerative purchase intent

BEGINNING OF SURVEY TERM PREFERENCE (CROSS TABS)

37. Stores shopped for food
38. Other retailers shopped
39. Personally affected by climate change

ROLE OF BUSINESS VALUES TO PERSONAL BUYING CHOICE (CROSS TABS)

40. Link to what I buy
41. Wish companies more transparent
42. Simple scoring system

43. Brands could do better job helping me
44. Interested in technologies

IMPORTANCE OF BUSINESS PRACTICES (CROSS TABS)

45. Reduces overall carbon footprint
46. Fair wages and healthy working conditions
47. Offers innovative products and services
48. Transparent about social impact
49. Fully discloses environmental impact
50. Sole commitment to organic

IMPORTANCE OF AGRICULTURAL PRACTICES (CROSS TABS)

51. Fair payment to farmers & ranchers
52. Eliminates toxic pesticides
53. Encourages soil & microbial health
54. Does not allow GMO
55. Animal waste management
56. Water conservation & clean water

TREATMENT OF FARM ANIMALS (CROSS TABS)

57. Raised with care to avoid antibiotics
58. Avoids use of synthetic hormones
59. Animals not confined
60. Free from discomfort
61. Access to pasture
62. Free to express normal behavior

DEMOGRAPHICS (CROSS TABS)

63. Community
64. Education
65. Income
66. Gender

END OF SURVEY TERM PREFERENCE (CROSS TABS)

67. Stores shopped for food
68. Other retailers shopped
69. Personally affected by climate change

ROLE OF BUSINESS VALUES TO PERSONAL BUYING CHOICE (CROSS TABS)

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DEMOGRAPHICS (CROSS TABS)

93. Community
94. Education
95. Income
96. Gender
97. Age
98. Political party

REGENERATIVE PURCHASE INTENT (CROSS TABS)

99. Stores shopped for food
100. Other retailers shopped
101. Personally affected by climate change

ROLE OF BUSINESS VALUES TO PERSONAL BUYING CHOICE (CROSS TABS)

102. Link to what I buy
103. Wish companies more transparent
104. Simple scoring system
105. Brands could do better job helping me
106. Interested in technologies
107. Satisfied with “green/sustainable”

IMPORTANCE OF BUSINESS PRACTICES (CROSS TABS)

108. Reduces overall carbon footprint
109. Fair wages and healthy working conditions
110. Offers innovative products and services
111. Transparent about social impact
112. Fully discloses environmental impact
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126. Community
127. Education
128. Income
129. Gender
130. Political party