

Navigating conscious consumerism

Over the past few years, there's been a significant rise in **conscious consumerism globally**. People are more tuned in to the environment and how their purchasing habits are impacting the world around them.

As we look to the **future of commerce**, it's important we consider how these changing consumer behaviours and expectations align with business products and processes, goals and intentions.

But what do we mean when we talk about conscious consumerism?

Let's dive in.

Purpose-driven purchasing is on the rise.

44% of consumers around the world are turning to their values when it comes to making purchases.¹ They choose products and brands that align with their beliefs, considering environmental impact and social responsibility.

The trend for purpose-led purchasing is strong around the world, but greater among consumers in emerging economies than in developed markets. While 53% of shoppers in the UK and 78% in the US say they feel better when they buy products that are sustainably produced, that number rises to 88% in India and 85% in both Brazil and Turkey.²



8 in 10 consumers globally say sustainability is important for them?

They're demanding brands to:⁴



Reduce their environmental impact



Contribute to the local community



Support local suppliers



61%

say they're likely to switch to a brand that's more environmentally friendly⁵

66%

prefer to buy from companies that have implemented programs to give back to society⁶



Consumers are also paying attention to product manufacturing methods and the rights of workers.

71%

of Europeans believe traceability is very important and they're willing to pay a premium for brands that provide it⁷

72%

are willing to pay more for foods that are fair-trade if they're available in their local shop⁸

50%

want to know if they human rights of the people who produce their food are respected⁹

69%

would like to know how their clothes are manufactured¹⁰

43%

of UK consumers believe it's important that clothing they buy is made by workers paid a fair, living wage¹¹

Corporate Social Responsibility is no longer a buzzword.

In fact, 81% of US millennials expect companies to make a public commitment to good corporate citizenship¹¹ and 74% of French shoppers are more willing to purchase from companies with a CSR policy¹²

Globally, shoppers want brands to take action to:¹³



Protect the environment



Address climate change



Address global poverty



Address gender inequality

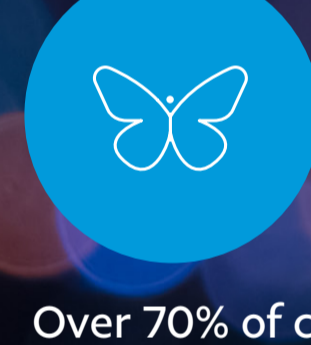
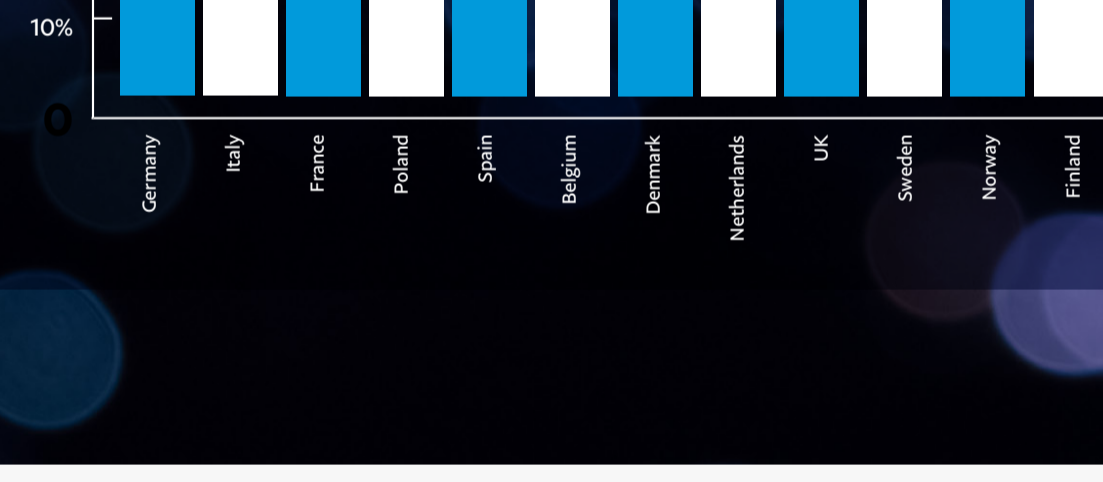
Ultimately, consumers want to support brands that are doing good in the world.

Consumers are willing to pay a premium to make it happen.

When it comes to living up to their values, 66% of global consumers are willing to pay more for sustainable goods¹⁴ and 50% agree that they're ready to buy environmentally friendly products even if they cost a little bit more.¹⁵

And when it comes to deliveries, they're willing to wait a little longer. 54% of US and UK consumers support and shop with brands committed to carbon-reducing delivery options¹⁶ and 70% of Mexican consumers are willing to delay delivery by 5 days if given an environmental incentive to do so¹⁷.

'Are you willing to pay more for eco-friendly delivery?'
% of online shoppers that agree:



Over 70% of consumers who agree that sustainability is very important to them would pay a premium of 35%, on average, for brands that are sustainable and environmentally responsible.¹⁸

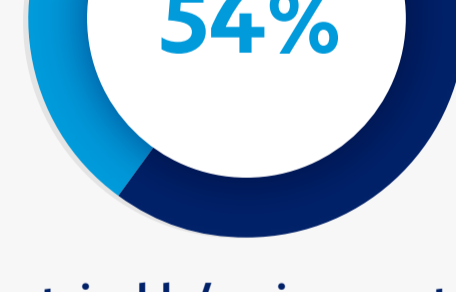
Sustainability matters at every step.

When it comes to fashion, 1 in 3 consumers across Germany, the UK, France, Italy and Spain consider sustainability when shopping.¹⁹ The use of sustainable materials in fashion is an important purchasing factor for 67% of UK and German consumers.²⁰

Shoppers around the world are turning to secondhand, with 76% of first-time secondhand apparel shoppers planning to increase their spend over the next 5 years.²¹ ReCommerce is growing at such a rate that consumers are forecast to spend \$353.9B on secondhand by 2030 – a 153.5% growth from 2020 and 3.2 times that of the 36.7 growth anticipated for the retail sector.²²

And when it comes to buying online, even the packaging matters with 64% of shoppers globally wanting packaging that's recyclable.¹⁶

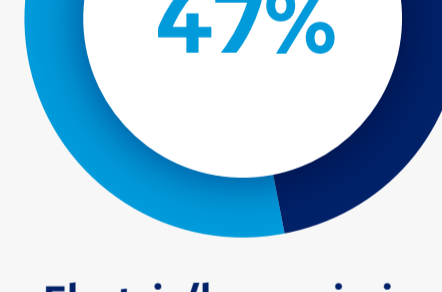
European consumers would like to see retailers using:²³



Sustainable/environmentally friendly packaging

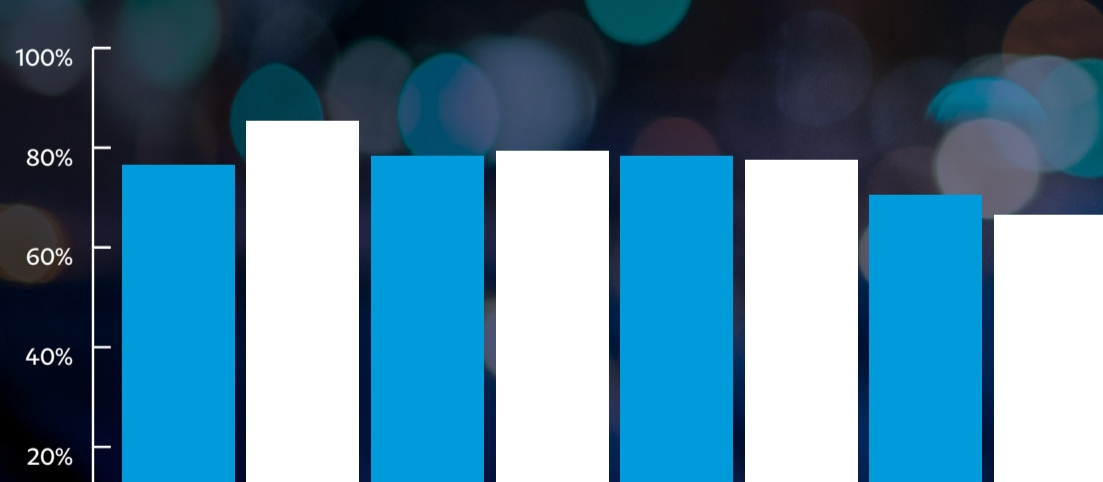


Carbon-offset deliveries



Electric/low emission delivery vehicles

Prefer to buy products with environmentally friendly packaging



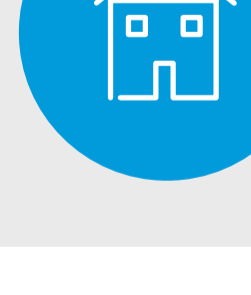
Consumers are looking local.

In fact, shoppers globally are now more likely to shop with:²⁵



20%

Brands with local country origin



18%

Brands from their local neighbourhoods

Across Europe, it's even more pronounced with 3 in 4 shoppers now more likely to shop in their local communities than in 2019, and 49% spending more locally to help local communities bounce back.²⁶

And while a large proportion of local spend is on food and groceries, 14% of European shoppers believe it's important the clothes they buy are produced locally²⁷ and the average European shopper visits local or neighbourhood boutiques 18 times a year to buy clothing²⁸.

And they're looking for businesses to lead the way.



90% of European consumers expect brands to be committed to conscious commerce and help them consume better.²⁹

Brands that talk authentically and consistently about sustainability are perceived as more trustworthy, high quality or innovative.³⁰ And consumers are looking for visual signals, with sustainability-marketed products growing faster than their conventional counterparts in the US.³¹

¹Consumers want it all: Hybrid shopping, sustainability, and purpose-driven brands, IBM Institute for Business Value, January 2022. ²Report shows a third of consumers prefer sustainable brands, Unilever, January 2017. ³Meet the 2020 consumers driving change: Why brands must deliver on omnipresence, agility, and sustainability, IBM Institute for Business Value, June 2020. ⁴The Future of Commerce in 2022: Your roadmap to the future of commerce, Shopify, 2021. ⁵Sustainable packaging unwrapped, Trendstream Limited, 2019. ⁶The global, socially-conscious consumer, Nielsen, March 2012. ⁷The conscious consumer: Connecting with health and sustainability priorities, Deloitte, 2021. ⁸The increasing value of sustainability among consumers, Fairtrade International, December 2020. ⁹Survey: Consumers do care about Sustainable Fashion, Fashion for Change, July 2021. ¹⁰Share of consumers who think it's important that the clothing they buy is made by workers paid a fair and living wage in selected European countries as of 2020, Statista, 2020. ¹¹Millennials expect more than good products: services to win their loyalty, Forbes, May 2016. ¹²Are you more willing to purchase a product offered by a company with a corporate social responsibility (CSR) policy? Statista, 2022. ¹³Shoppers are demanding sustainable options – are companies getting on board? Fairtrade International, May 2019. ¹⁴The State of Fashion 2019, McKinsey & Company, 2019. ¹⁵Sustainable consumption facts and trends, World Business Council for Sustainable Development, November 2018. ¹⁶Worth the wait: Speed vs. sustainability in last-mile delivery, PFS and Arlington Research, August 2021. ¹⁷E-commerce retailers should put more value on green delivery options, MIT Sustainable Logistics Initiative/Coppel, December 2020. ¹⁸E-commerce in Europe 2020, PostNord, 2020. ¹⁹Consumer survey report, Fashion Revolution, November 2018. ²⁰Survey: Consumer sentiment on sustainability in fashion, McKinsey & Company, July 2020. ²¹2021 Resale report, ThredUp, 2021. ²²Americans are projected to spend \$160.1 billion on secondhand items in 2021, according to Mercari and GlobalData's inaugural 'Reuse Report', Global Data, October 2021. ²³UPS Smart E-commerce report 2021: What Europe's shoppers want from e-commerce, UPS, March 2021. ²⁴IRI European shopper insights survey, IRI, October 2018. ²⁵The 2022 state of consumers, Nielsen IQ, January 2022. ²⁶Love for Local – Three in four more likely to shop in their local community than a year ago, Mastercard, October 2020. ²⁷Consumers who find buying locally produced clothing important Europe 2020, Statista, November 2021. ²⁸Show us shop – Inside the minds of Europe's consumers, CBRE, 2013. ²⁹Sustainable consumption in Europe, Oney, February 2020. ³⁰How data is making the business case for sustainable fashion, Think with Google, September 2020. ³¹Sustainable Share Index™, Research on IRI Purchasing Data (2013-2018), NRU|Stern Center for Sustainable Business, March 2019.