

# Why sustainable products don't need to cost more

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Many consumers assume that sustainably manufactured consumer packaged goods cost more because of packaging, ingredient sourcing and manufacturing processing. But Nancy Cota, the vice president of own brands, product management, innovation and brand management for Boise, Idaho-based Albertsons Companies, said in a recent webinar that such products don't always need to cost more for consumers.

Cota discussed the cost of sustainable products during a webinar last week hosted by *Store Brands* called "Private Brands and Sustainability: Doing the Right Thing and Differentiating."

"Products like fresh produce can cost less from lack of packaging or that have been put into a recyclable bag. In many instances, there may be a slight increase in cost driven by scale and efficiency of the products manufacturer," Cota said during the webinar. "But we found that the increase in cost is not a substantial increase to ensure that we are doing the right thing. We've actually seen a 26% increase in our Fair Trade certified coffee purchases year over year. So clearly shoppers are willing to pay. Our organics coffee alone has generated millions of dollars in premiums for the growing community and we're excited to help share in our success story."

Abby Ayers, senior business development manager of retail partnerships for Fair Trade USA, and Dawn Nowicki, vice president of marketing and business development for Mold-Rite Plastics, also participated in the webinar, which was moderated by *Store Brands'* Editor-in-Chief Lawrence Aylward.

Cota, Ayers and Nowicki discussed the growing role of sustainability in private-branded consumer packaged goods from several aspects: from doing the right thing in terms of an environmental aspect, to appealing an increasing number of consumers who desire sustainable products, and to using sustainability to differentiate store-branded products.

Sustainability is also about transparency, Cota said.

"According to a recent Hartman Group study, 69% of consumers want companies to be more transparent about their sustainability efforts," she noted. "Sustainability is a cross between responsible agriculture and natural resource practices. It means that shoppers want products that are environmentally friendly and [are produced to] show concern for the fair treatment of both animals and workers."

Although millennials are the primary motivator for the shift in consumer demand for more sustainable products, studies reveal the movement and push for sustainability has become a multi-generational request, making companies re-evaluate their business strategies,

including their private label offerings.

A segment of millennials, known as “millennial moms,” are women who are trying to make a positive impact not only in choices for their own families, but also in the choices of their children in the future, Ayers said.

“This means that, in the future, these millennial moms’ kids will not only demand transparency and sustainable products, but they’re going to continue to want more information about what’s in the products, how the products are produced and who produced them,” she added. “Sustainable shoppers are no longer ‘niche’ shoppers; they are soon to be the largest group [of shoppers] we have ever seen. This is exciting because it’s not just the right thing to do, but companies and retailers will be rewarded,” Ayers said.

Nowicki said Mold-Rite Plastics is incorporating sustainable decisions into everything it does, because of this consumer push.

“We are not only looking into our packaging, but we are also looking at our manufacturing processes, [like] how we can reduce energy consumption within our own operations,” she said, noting that Mold-Rite recycles 100% of its raw materials and “we actually incorporate a lot of sustainability into our new product developments.”

To listen to the webinar, click [here](#).