


The Next Economy 5 Consumer Trends That Will Shape How Brands Source, Produce Goods in 2022

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January 10, 2022

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Published 10 hours ago. About a 5 minute read.

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Consumer insights demonstrate need for brands to make good on their sustainability and human rights claims, and make it even easier for shoppers to shop their values.

Research continues to reinforce that consumers are looking to make positive impacts in ways big and small at checkout. More than half of respondents in the biennial **Fairtrade Consumer Insights** report (conducted by **GlobeScan**) confirmed that many have changed their purchasing choices within the past year to make a difference on economic, social, environmental or political issues — indicating people increasingly see their everyday shopping as an important way to make a difference.

As we look to the year ahead, we see five consumer trends that will shape how brands should back up claims, source products and make changes to make good on their claims:

Continued demand for authentic corporate sustainability action.

With climate change worsening and driving major weather events, consumers are looking to brands to provide sustainably sourced and produced products that won't contribute to the problem. In fact, more than a quarter of consumers say they always or usually base their purchases on sustainability, which is an increase of 4 points from 2019, according to the **Hartman Group**.

Climate studies predict that by 2050 **coffee, tea, cocoa** and **cotton** will be so severely affected that production in some areas will even disappear, resulting in a complete loss of income for the farmers who grow these goods. Now is the time for both governments and business alike to take action in support of farmers to enable them to deal with what's happening with the climate. At last year's **COP26** summit in **Glasgow**, more than 28 companies voiced their support of 1.8 million farmers calling for climate justice by signing a pledge as part of Fairtrade's **Be Fair With Your Climate Promise** campaign — including **Ben & Jerry's**, **Tony's Chocolonely** and **Nespresso**.

Human rights and fair wages advocacy will go global in scale.

Many farmers and workers around the world live on less than \$2 per day. In 2021, 73 percent of Fairtrade shoppers were willing to pay more for a product to ensure farmers and producers were paid a fair price; specifically, up to 35 percent more per pound for Fairtrade coffee and 30 percent more per bar for Fairtrade chocolate, according to the GlobeScan report.

To meet these consumer demands, small to large companies are re-examining their supply chains. For example, earlier this year, companies including **Aldi** and **Unilever** committed to ensuring that workers who directly supply their goods and services across 190 countries will receive a living wage by 2030.

Online shopping for groceries and everyday goods will remain the new norm.

COVID has led more US consumers to make purchases online, and that trend will continue into 2022. In 2020, US ecommerce grew by 32.4 percent with a total spend of \$791.7 billion, according to **Digital Commerce 360**. This digitalization makes it easier for shoppers to compare products and learn whether a company's sourcing and manufacturing practices align with their values.

Online retailers are also partnering with certifying organizations to help shoppers make comparisons even easier — such as in **Amazon's Climate Pledge Friendly** program. **Fairtrade International** was one of the few certifications chosen by Amazon to launch the program, which continues to prove successful in nudging purchasing behaviors.

Shoppers will look for and support organizations and companies that promote gender equality.

Frequent Fairtrade shoppers care more than average shoppers about women's causes, according to GlobeScan survey data — which is not surprising, given that female producers worldwide are still fighting for equal rights and opportunities. A large proportion of the world's food is farmed by women, yet there remains a significant “gender gap” in agriculture — leaving female farmers with less access than their male counterparts to resources such as land, information, financing, training and supplies.

In addition to more women starting companies, shoppers can look for certifications to learn whether products are promoting gender equality. For example, Fairtrade works to rebalance gender equality and strengthen women's and girls' human, social, financial and physical capital in their farming cooperatives and communities. Furthermore, Fairtrade Standards require all cooperative members to vote on how to use their Premium funds, often giving women a greater voice in their communities.

Purpose + brand transparency = consumer loyalty.

Consumers want to support brands that are not only taking care of their own teams and suppliers, but also contributing to making the world a better place. A study by **Zeno Group** found that consumers are up to six times more likely to buy from companies with a strong purpose. Additionally, 71 percent of consumers indicated that traceability is very important to them and that they are willing to pay a premium for brands that provide it, according to **IBM Research Insights**. Companies have an opportunity to attract new customers and drive loyalty with existing shoppers by authentically developing a transparent supply chain and celebrating how they work to benefit people and the environment.

While many newly founded companies today are mission-based, even larger corporations see the need to meet this consumer demand by partnering with Fairtrade and other third-party organizations to add credibility and traceability to their sourcing; and consumer trust comes along with those commitments. More than 75 percent of consumers familiar with Fairtrade agree that the Fairtrade label makes it easy to decide if a product is ethically and responsibly produced, according to GlobeScan.

We predict these trends will continue to gain steam this year as the negative impacts of climate change — as well as awareness of the need for a fair deal for farmers across the globe — become more prevalent.

Published Jan 10, 2022 7am EST / 4am PST / 12pm GMT / 1pm CET

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