

EarthWISE 2022: Consumer Demand for Sustainability Grows

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With products that claim to be sustainable, Horvitz noted that consumers want transparency, from how a product is made, what happens after its disposed, and everything in between.



According to the NielsenIQ/FMI report, most shoppers (72%) consider transparency from brands and manufacturers to be extremely important or important. Gen Z (74%) and Millennial (79%) shoppers are more likely to say it is important that the companies they buy from are transparent compared to the older generations. Additionally, the report found that nearly 69% of shoppers desire more sustainability information about the products they purchase.

A further breakdown of the transparency issue as it relates to sustainability shows a growing consumer desire for additional information on several topics. These include how products are produced (26%), how ingredients are sourced (25%), sustainability practices (19%) and value-based information such as animal welfare, fair trade or labor practices (26%).

Another study, The Global Sustainability Study 2021 conducted by Simon-Kucher & Partners last year, found 85% of people indicated that they have shifted their purchase behavior towards being more sustainable in the past five years.

Globally, sustainability is rated as an important purchase factor for 60% of consumers with 61% in the U.S. saying sustainability is important when buying a new product, while 34% of those surveyed said they would be willing to pay more for sustainable products or services.

“Sustainability is no longer a niche topic but one that has become fully mainstream. Shoppers are increasingly aware of the link between the environment and personal well-being, as well as the impact of buying behavior on food and packaging waste and climate change,” said Katherine Burkhardt, Director of Brand Strategy at Daymon, a private brand development firm. “As a result, they are supporting brands and embracing products with an environmental stance.”

Private brands are especially well positioned to address consumers’ interest in sustainability. According to Daymon’s proprietary research, one out of two private brand consumers are interested in sustainable sourced/produced products; yet, according to The Hartman Group’s Sustainability 2021 report, cost is shoppers’ #1 barrier to purchasing sustainable products, she noted.

“We see more and more retailers investing in sustainable products and packaging within their private brand programs to deliver a solution for consumers looking for options that are both eco and wallet friendly,” added Burkhardt. “Further, these private brand solutions are an important part of retailers’ efforts towards impacting their corporate sustainability goals. From responsibly-sourced ingredients, to eco-friendly packaging, to entire brands developed with a sustainable mission, retailers are using their private brand programs in varied ways to support their broader ESG goals.”