

# D2C Brands Attract Young Consumers with Sustainability Initiatives

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**B**rands that focus on supply chain sustainability—by showcasing factory conditions, production processes and waste solutions—bode well with young consumers.

More than two-thirds of Gen Z shoppers ages 18 to 24 made an eco-friendly purchase in the past year, and more than half were willing to spend more for a sustainable product, per January 2019 data from CGS.

Millennials are on board, too. Three in four US consumers ages 21 to 34 said they will “definitely” or “probably” alter their buying habits to reduce environmental impact, according to a December 2018 Nielsen report.

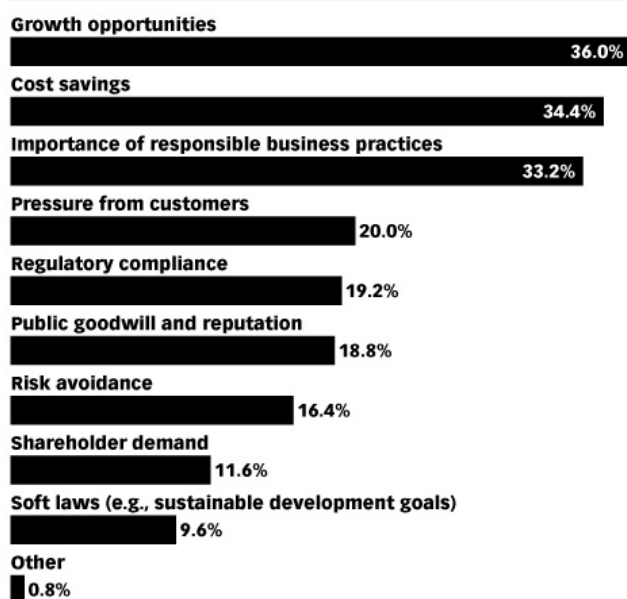
“Younger consumers have grown up with a more skeptical view of brands and an aversion to profits achieved through questionable business practices,” eMarketer principal analyst Andrew Lipsman said. “Brands that lift the veil on how they conduct business—from sourcing of materials to manufacturing all the way through the supply chain—will naturally engender more goodwill. Transparency breeds trust, and shoppers are more apt to buy from brands they trust.”

For retailers looking to reach these **socially conscious consumers**, supply chain sustainability is a win. More than a third of retail

executives worldwide noted growth opportunities and cost savings as top reasons to adopt a strategy around supply chain sustainability, according to a January 2019 report from The Economist Intelligence Unit (EIU) and LLamasoft.

**What Are the Reasons for Adopting a Strategy Around Supply Chain Sustainability/Responsibility According to Retail Executives Worldwide?**

*% of respondents, Sep 2018*



*Source: The Economist Intelligence Unit (EIU) and LLamasoft, "Sustainability: The missing link," Jan 14, 2019*

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Direct-to-consumer (D2C) brands have the upper hand when it comes to **integrating sustainability** into their supply chain, as it has been top of mind from the start—but how each company displays its operations varies.

D2C fashion brand Everlane weaves “radical transparency” into its mission statement, pulling back the curtain on factory conditions as well as its cost breakdown compared with traditional retail markups.

Rothy’s, a footwear brand made from recycled plastic, uses its online platform to detail its entire supply chain—from materials and production to transportation and product life span.

And veering from the traditional online platform, Allbirds recently announced it will host a SiriusXM radio show on how to build profitable yet sustainability-focused businesses. Allbirds co-founder

Joey Zwillinger summarized this as “conscious capitalism.”

“D2C brands are proving you can deliver profits while being good corporate citizens,” Lipsman said. “Brands that don't build sustainability into their business model may find themselves increasingly irrelevant with this new generation of consumers.”