

Retailers push sustainability efforts to combat greenwashing claims

Article

The news: A number of retailers are rolling out sustainability-focused initiatives in response to consumers' growing desire for brands to exhibit social and environmental responsibility.

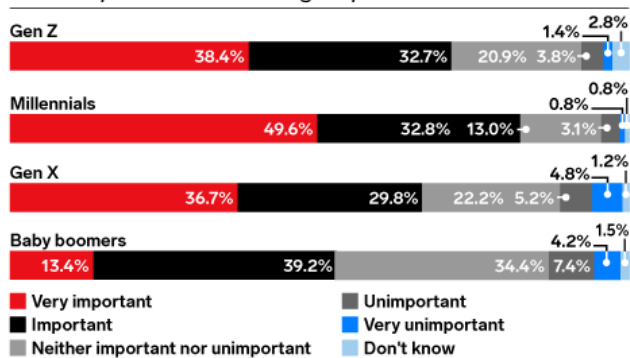
- **Amazon** and **Target** are both seeking net-zero carbon certification for new store models. Amazon said its 35,000-square-foot Amazon Fresh Seattle space would be the world's first grocery store to receive the certification. Target said its Vista, California, store will generate up to a 10% energy surplus each year.
- Amazon recently launched an [environmentally friendly product line](#).
- Target rolled out Target Zero, a curated selection of products with packaging that's designed to be refillable, reusable or compostable, or made from recycled content or materials like aluminum, steel or glass that reduce the use of plastic.
- **Starbucks** is [testing reusable cup programs](#), as well as partnering with **Volvo** to research the use and potential scalability of electric vehicle charging stations at its stores.

More on this: Sustainability is a primary brand consideration for millennial and Gen Z consumers, who are increasingly flexing the power of their wallets.

- Millennials represent [\\$600 billion in spending power](#), while Gen Z accounts for another **\$140 billion**.
- Sustainability is important to **82.4%** of millennial consumers and **71.1%** of Gen Z shoppers, per a May 2021 survey conducted by Composed and MaCher.

Importance of Sustainability When US Internet Users Shop for Beauty, Clothes, and Travel Experiences, by Generation, March 2021

% of respondents in each group



Note: numbers may not add up to 100% due to rounding
 Source: Composed and MaCher, "Sustainability & Consumerism: U.S. Consumer Behaviors and Preferences," May 6, 2021

266512 eMarketer | InsiderIntelligence.com

The challenge: Consumer trust in eco-friendly claims is wavering due to packaging confusion and unsanctioned standards for environmental ambitions.

- **54%** of consumers believe environmental labeling is merely a marketing strategy to increase sales, per a survey of European consumers by consumer rights group Euroconsumers in April and May 2021.
- **53%** said they could not distinguish between true and false green claims.

The opportunity: A growing number of companies are offering tools to help businesses develop a more accurate picture of their carbon footprint, per The Wall Street Journal.

- Several startups are in the space, including **Watershed Technology**, which last month received a \$1 billion valuation.
- Those startups are competing with several large tech companies, including **Salesforce.com**, which recently rolled out the latest version of its platform for tracking and analyzing climate data, and **Microsoft**, which last October announced the soft launch of a competing product.

The big takeaway: Retailers seeking to remain relevant to younger consumers have no choice but to develop more eco-friendly initiatives, whether that involves the design of their stores, packaging, supply chain, or product mix.

- However, those efforts need to be authentic rather than greenwashing.
- Businesses that find effective solutions will be well-positioned for growth.