

Pop-up rankings: Which three retailers can benefit from consumers' sustainability perceptions

Article

This week, our Reimagining Retail podcast crew talked about **which retailers had the biggest opportunity in terms of sustainability** as a follow up to our newly released “US Retail

Here are the three retailers our analysts picked:

1. Costco. The warehouse retailer topped our list for consumers’ sustainability perception. Analyst Blake Droesch said the business model makes all the difference. Consumers think buying in bulk means fewer trips to the store and less gas and less packaging, even if that isn’t true.

What’s really at play is the love Costco has engendered with its customers. “When you think of sustainability, you think of corporate image and corporate responsibility. If you have a brand that is as beloved as Costco, the overall good perception of the retailer will trickle down into having a favorable view about how they operate internally when it comes to things like sustainability,” Droesch said.

Costco’s no-frill environment also helps. Most consumers don’t know what’s going on behind the scenes when it comes to sustainability, so Costco’s in-store experience gives consumers a feeling of less waste.

2. Amazon. No, really. Consumers ranked the retailer No. 3 on our list, and once again, it’s about the relationship. Consumers know Amazon and equate it with making their lives easier. And its Prime membership gives Amazon a huge platform to market its sustainability initiatives, like recycled tape for boxes, said analyst Sky Canaves.

Where Amazon doesn’t rank as well is with its corporate-level sustainability efforts. For example, Amazon said in 2021, its carbon emissions rose 18%, almost in line with its increase in overall revenue growth of 22%. The retailer is investing in electric and renewable energy and has a goal of net zero carbon emissions by 2040, but it won’t happen overnight. That, Canaves said, is a good opportunity for the retailer whose business model—billions of shipments, often in excessively large packaging to consumers as quickly as possible—doesn’t scream eco-friendly.

3. CVS and Walgreens. Consumers ranked the two at the bottom of the list, and Droesch said it’s not because of the pharmacy model or lack of sustainability efforts but rather consumers hear more from big-box retailers and grocery stores. People spend a lot of their budget on food and beverage, so they are more aware of those retailers’ sustainability messaging. But Droesch said pharmacies should lean into their consumer connections just like big-boxes and grocery. “Pharmacies are where they go to pick their medications and where they go when

they are sick, so the fact they scored so low is an opportunity” to increase awareness and have a more favorable perception, he said.

This was originally featured in in the Retail By the Numbers newsletter. For more retail insights, statistics, and trends, [subscribe here](#).