

Consumers to make sustainability a business imperative in 2022

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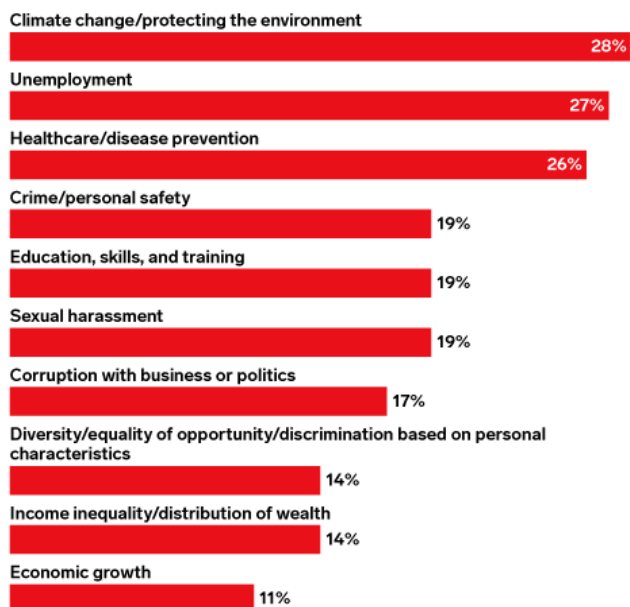
The trend: Consumer concerns about climate change reached a tipping point in 2021, and we expect calls for action to grow louder in 2022.

Younger consumers lead the charge: The pandemic boosted global awareness of environmental issues and sparked a renewed commitment to finding solutions.

- Climate change and protecting the environment ranked as the top personal concern among Gen Z adults worldwide in February, ahead of both unemployment and disease prevention even during the pandemic, per Deloitte.
- Gen Z purchasers seem eager to hold the brands they buy from accountable—which is leading businesses to take sustainability more seriously.

Leading Personal Concerns of Gen Z* Adults Worldwide, Feb 2021

% of respondents



Note: respondents were asked to pick their top 3; *born 1996-2003
Source: Deloitte, "The Deloitte Global 2021 Millennial and Gen Z Survey: A call for accountability and action," June 15, 2021

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Progress in Big Tech:

- Following widespread publicity about its large-scale destruction of returned and unsold goods, **Amazon** is cleaning up its act by letting third-party sellers list some returned products as “used” on its site. It also now offers customers the option of selecting their “Amazon Day” of the week (which consolidates the week’s orders into a single delivery, thereby reducing packaging waste) and is making big investments in solar panels and wind farms.
- Microsoft** pledged to share product schematics with providers outside of its authorized service network, after shareholders advocated for the customer’s right to repair their own devices.

- These firms, along with **Apple, Google, and Meta**, have committed to carbon neutrality timelines, setting a bar for other corporations to meet or else risk retribution from consumers.

Fashion makes strides:

- Fast fashion is out, sustainable fashion is in: Clothing rental services, such as Rent the Runway and Harrods' My Wardrobe HQ, have taken off and will continue to grow their customer bases in 2022.
- Resale marketplaces The RealReal, Poshmark, and Depop are also on the ascent, while established retailers like lululemon, Ikea, and Urban Outfitters have launched resale initiatives.

Consumers increasingly factor sustainability into their online and offline purchasing decisions. They're paying attention to the sellers' ethical practices, whether products or their components are sustainably sourced, and if they have eco-friendly product packaging (size, material, and recyclability) and delivery (vehicle and location options).

Post-purchase, the principle of circularity is fueling the secondhand and resale market, especially for apparel and accessories. Retail brands that fail to satisfy consumers' elevated expectations will quickly lose relevance—as the fast-fashion sector is learning.

It isn't just retail: While retail may be affected the most by changing consumer preferences, sustainability will impact other sectors. In financial services, socially responsible investing will pick up steam, and in the auto industry, electric vehicle manufacturers are feeling the pressure to investigate alternatives to toxic elements in their batteries.

The big takeaway: Thinking about sustainability has gone from garnering brands bonus points to becoming table stakes.

Attitudes Toward Brand/Company Sustainability Behaviors According to Internet Users in China, the UK, and US, Feb 2021

% of respondents



Note: ages 18+

Source: Wunderman Thompson, "Regeneration Rising: Sustainability Futures," June 8, 2021

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