



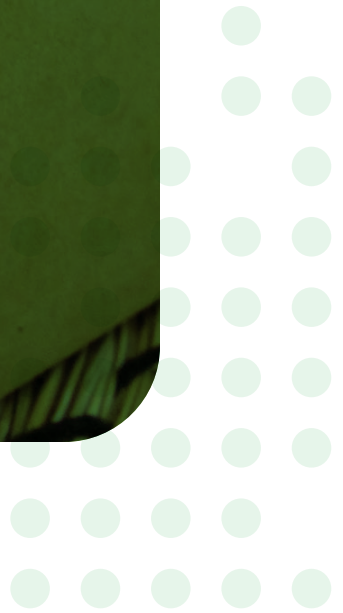
The State of Sustainability

IN ECOMMERCE

2
0
2
3



Only brands who see sustainable practices as an innate part of building an ecommerce business will be successful in the next decade.



Introduction

The importance of sustainability to consumers continues to grow and is more important than ever.

Modern-day consumers are concerned with all facets of sustainable ecommerce, from packaging to greenhouse gas emissions to reusability.

The concern stems from an understanding that sustainability is a journey for brands. Consumers simply want transparency around what a brand is doing to be more sustainable, why they're doing what they do, and what their goals are for the future.

And, because of this understanding consumers are willing to join brands in being sustainable and will do their part, such as offsetting their emissions or participating in rebuy programs.

Brands who will be successful in the next decade will see sustainable practices as an innate part of building an ecommerce business.

Methodology

This report discusses the findings of new international research that surveyed consumers on their attitudes and behaviors around sustainability within the ecommerce industry.

The aim was to give ecommerce brands fresh insight into consumers' perspectives on this, and to help those brands align their offerings with evolving consumer needs. Specifically, the research sought to investigate how current global trends could be impacting intentions around sustainable ecommerce.

To carry out the research, Ecocart commissioned international market research platform, SurveyMonkey, to conduct an online survey of 8,000 adult consumers. This survey took place between October 1st and November 1st, 2022, and includes a mix of consumers in the United States, Canada, the United Kingdom, Australia, and New Zealand.

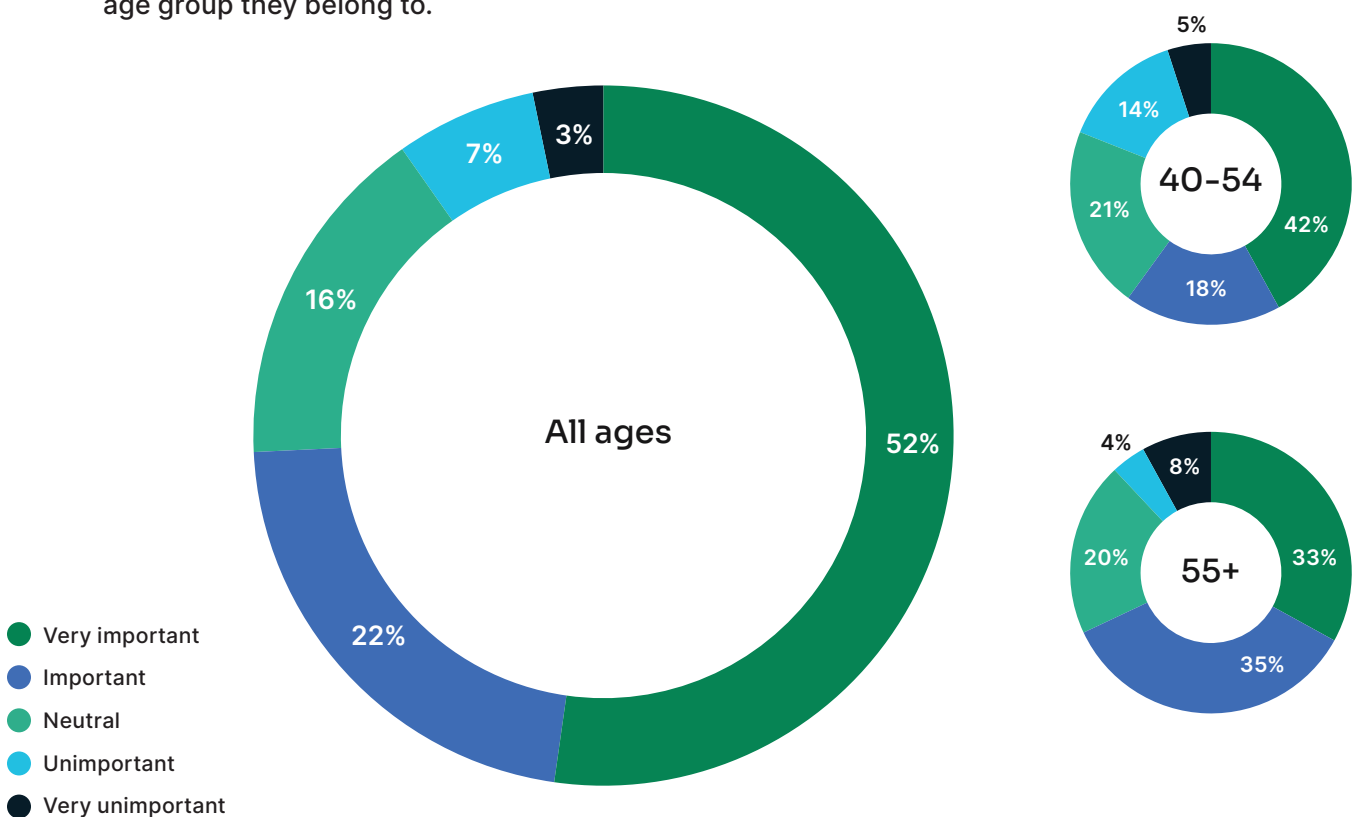
The data is broken down into age groups and gender identity for further analysis.

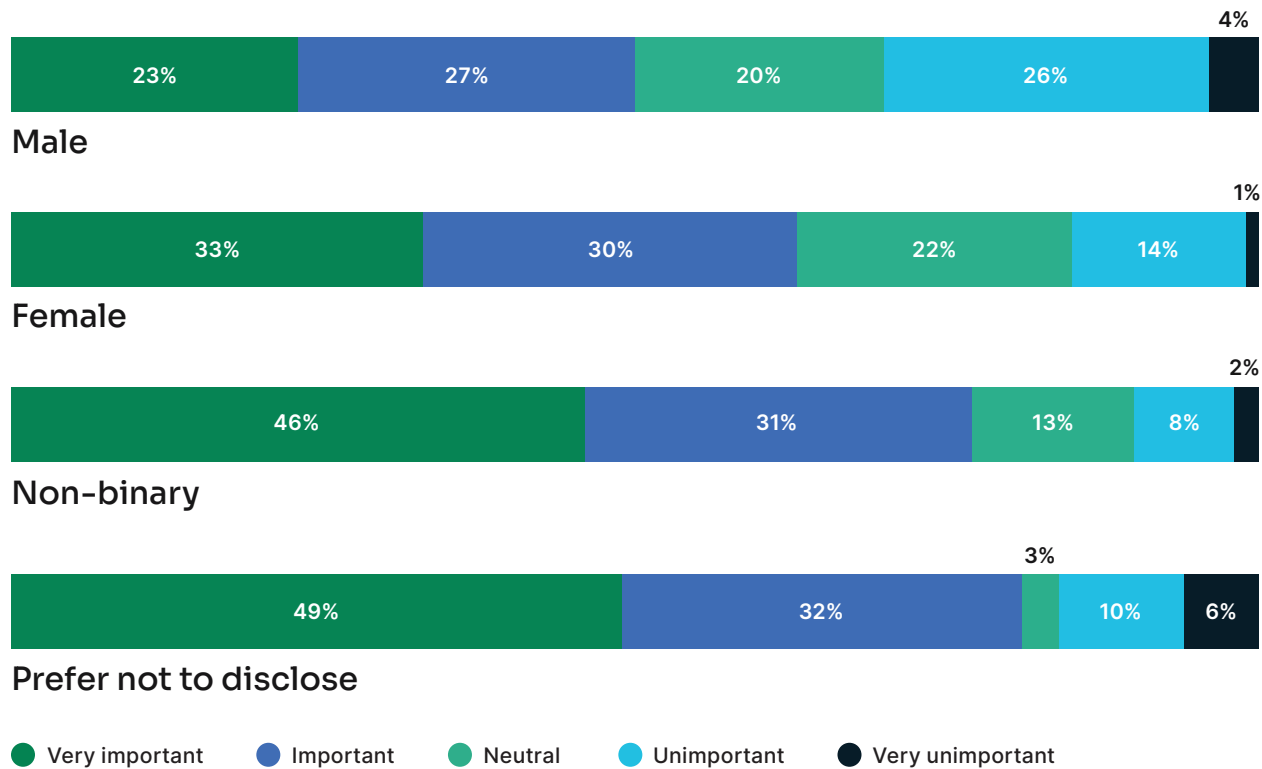
The number of shoppers that want brands to be operating sustainably continues to grow.

This trend is largely driven by younger shoppers.

Together, Gen Z and Millennials represented \$350 billion in spending power in 2020 with Gen Z accounting for 40% of the global consumer industry that year. While Gen Z's spending power is growing, Millennials currently represent the largest group of consumers and Baby Boomers maintain the largest buying power.

From the survey data, it can be deduced that 80% of consumers between the ages of 26 and 39 and 89% of consumers between the ages of 18 and 25 would rather shop for environmentally friendly products if given the choice. This supports the industry trend that younger shoppers care more about climate action than the generations that came before them. And while younger consumer's buying habits often differ dramatically from those older than them, 60% of consumers between the ages of 40 and 54 and 68% of consumers 55 years of age or older also care about what brands are doing to fight climate change. So, the majority of shoppers actually agree on this topic no matter what age group they belong to.





All genders feel an importance for the brands they shop with to operate sustainably. Non-binary and gender-neutral groups have the largest affinity to a brand's sustainability initiatives, with males having the least affinity.

Regardless of your target consumer's age or gender, having transparent sustainability initiatives fosters trust and shopper preferability.

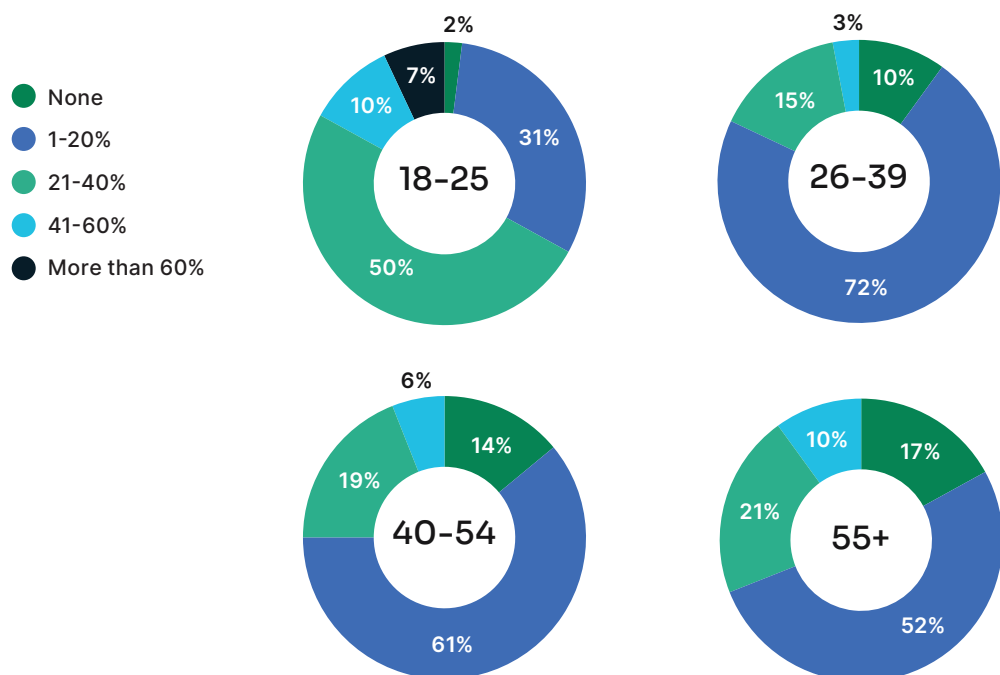
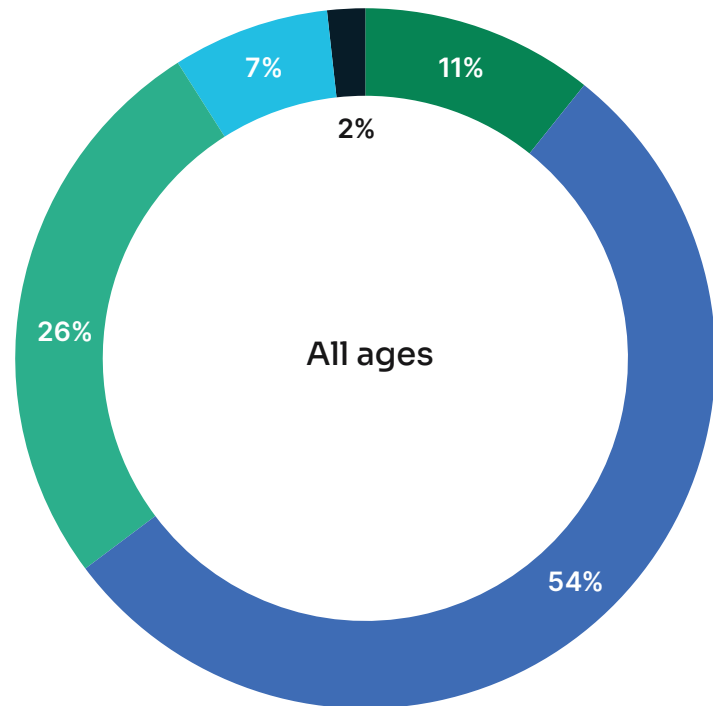
If you're not actively working to achieve more sustainable practices you're losing out on nearly 80% of the market.

The number of shoppers who are willing to pay more for sustainable products continues to grow.

While the overall number is growing, economic stability does play a role in how much more consumers are willing to pay.

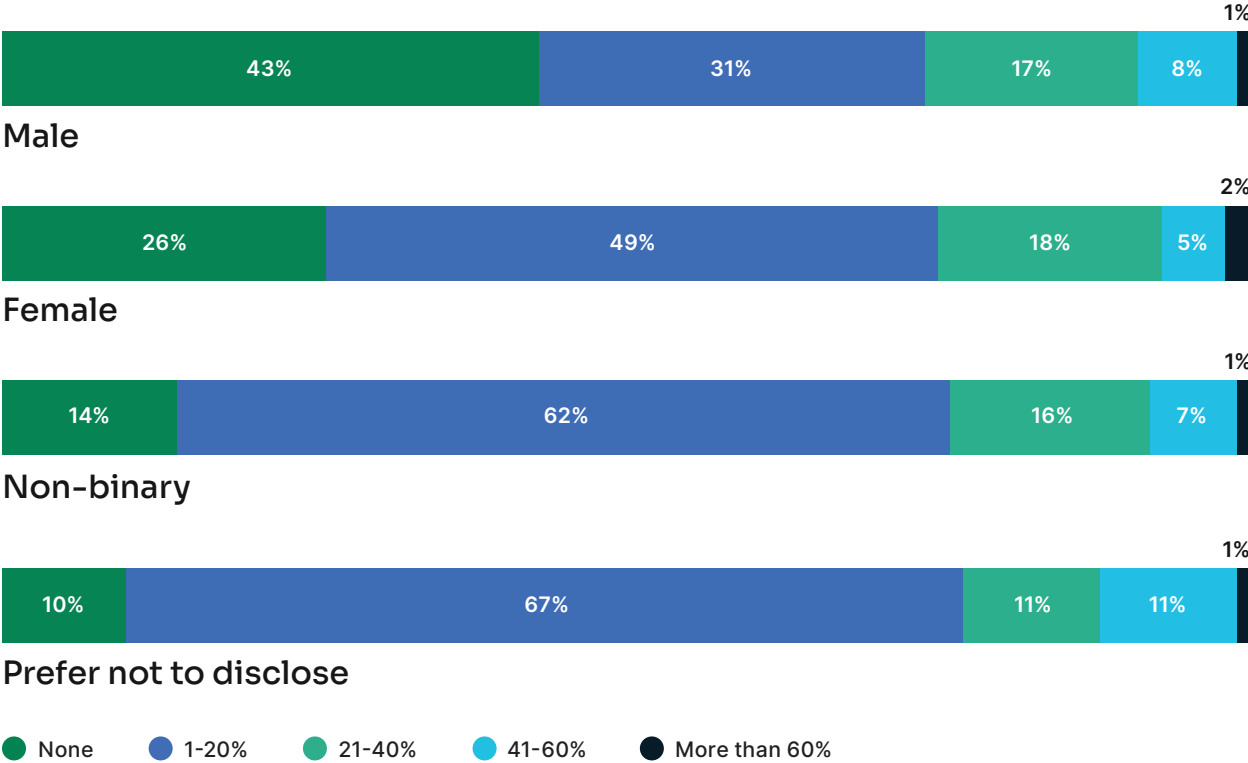
Millennials aren't willing to pay as much more compared to those older than them, who are more financially stable, or those who are younger than them, who still have familial support and less responsibilities. With half of Gen Z willing to pay up to 40% more for a product, the cost of sustainable operations becomes less daunting for brands selling to this demographic.

About 56% of Millennials and half of Generation Z believe the traditional gender binary is outdated, meaning over half of the upcoming buying power are even more willing to spend more with sustainable brands.



Those who identify as non-binary, gender-neutral, and female groups are most willing to spend more to lessen a product’s impact on our planet. While males aren’t willing to spend as much, they will still spend up to 20% more to lessen a product’s environmental impact.

This means that any added cost of making your system of operations and product offerings more sustainable can and will be met by shopper’s willingness to pay more and patronize sustainable brands.

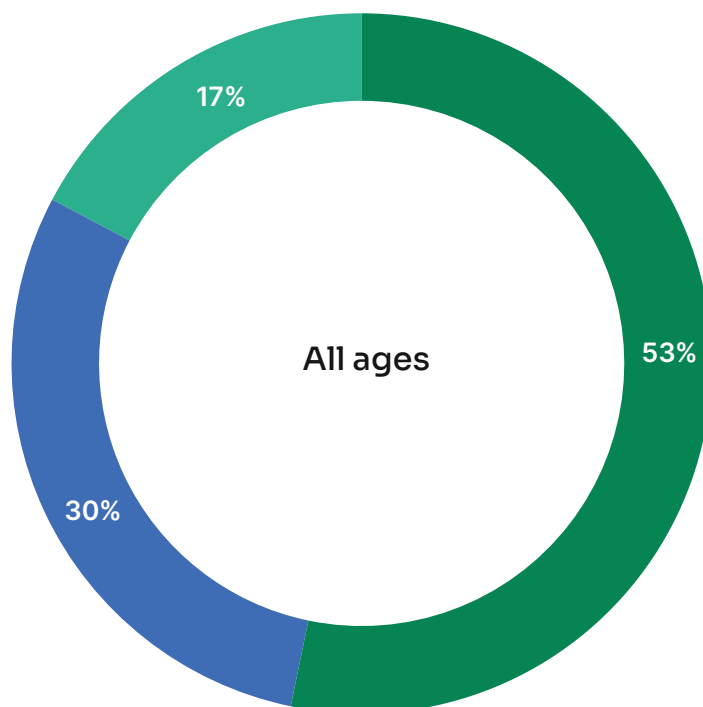


Shoppers who care about and purchase sustainable products are more likely to become repeat shoppers.

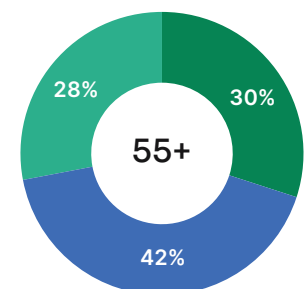
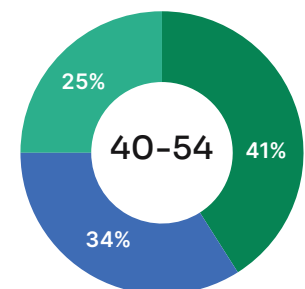
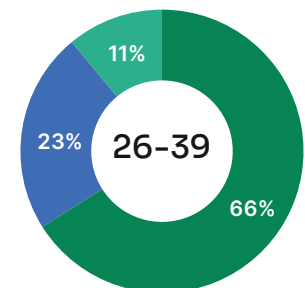
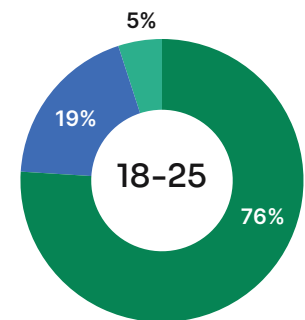
This is more true the younger the shopper.

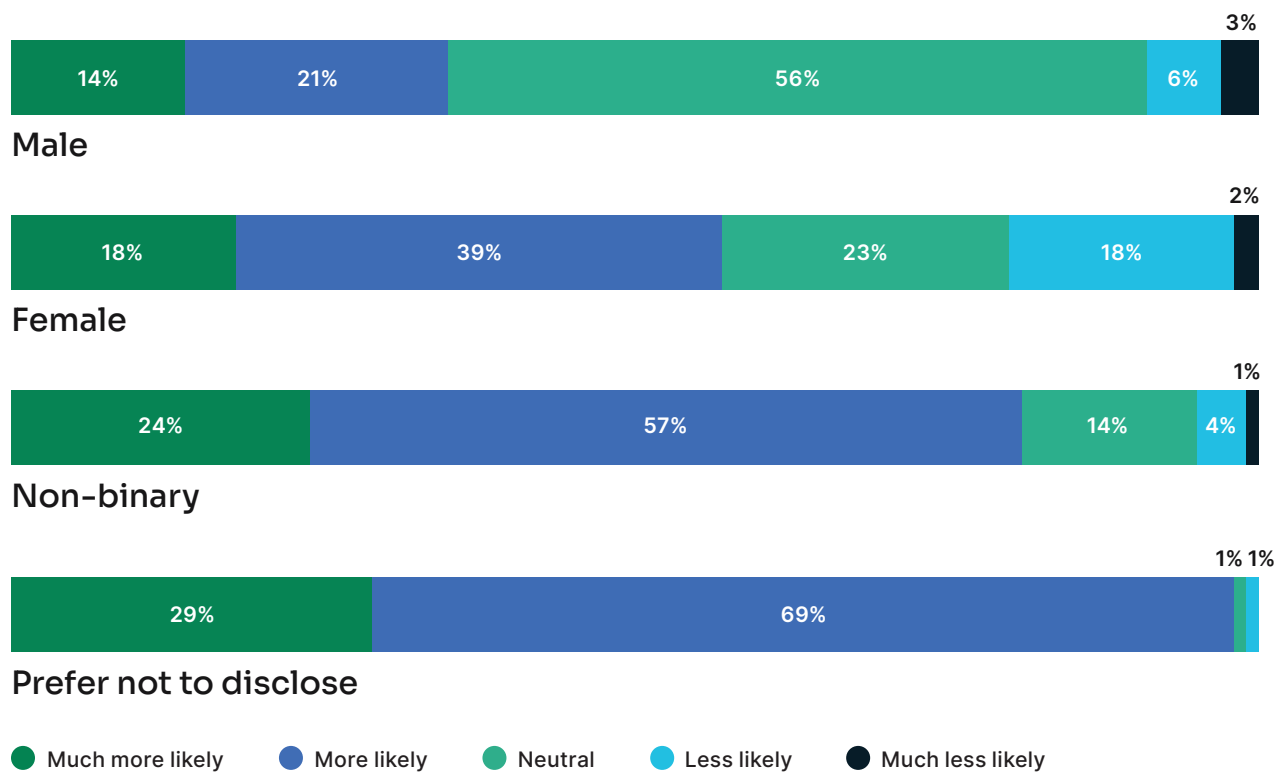
Average repeat purchase rate is 25-30% for most ecommerce brands and likelihood of repeat purchase amongst sustainable shoppers is around 80%.

In fact, 95% of Gen Z consumers and almost 90% of Millennials are more likely to be repeat shoppers of a brand that is trying to be more environmentally-friendly. While slightly smaller, this trend carries over to Gen X and Boomer shoppers.



- Much more likely
- More likely
- Neutral
- Less likely
- Much less likely





While all gender categories are likely to become repeat customers with sustainable brands, those who identify as female, non-binary and gender-neutral are much more likely to shop again with a brand that is eco-conscious.

Consumers trust and feel connected to brands that operate sustainably.

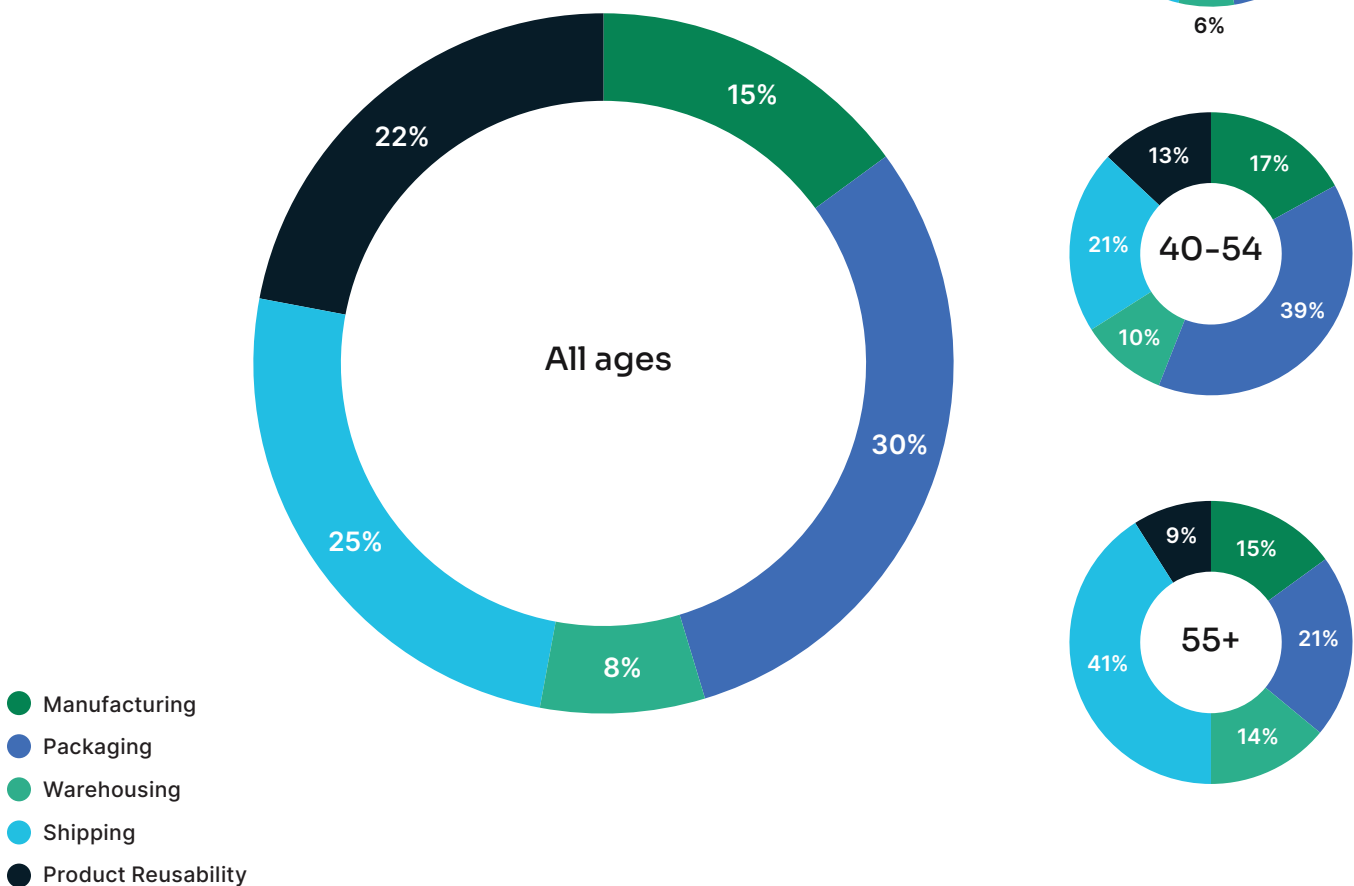
That difference in customer loyalty equates to a big difference in revenue from repeat purchases.

The majority of shoppers care most about sustainable product packaging and shipping.

While sustainable packaging and shipping are top of mind in all gender categories, men, specifically, seem to care about reusability and sustainable manufacturing practices.

In addition, gender neutral and non-binary shoppers seem to care most about the sustainability in the packaging of products. But, overall shoppers care about how products are made and how that affects the environment around them.

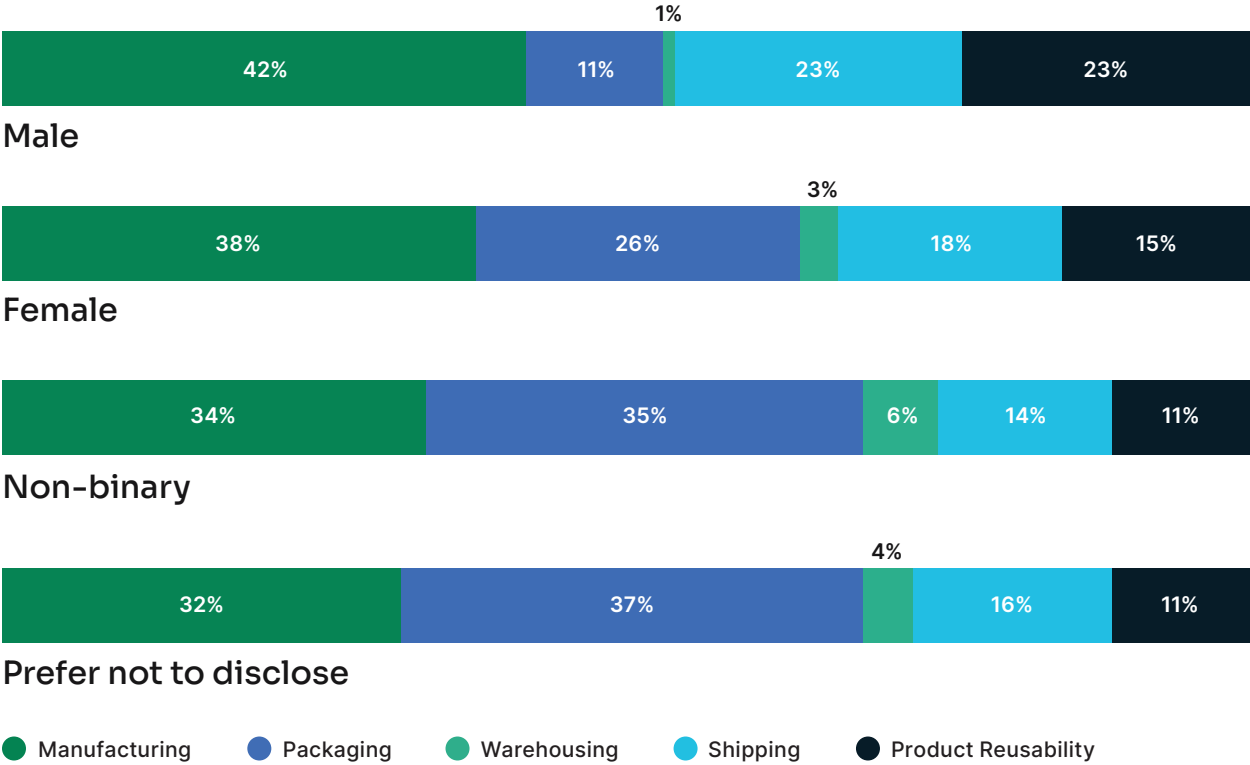
Gen Z consumers are most concerned with product reusability (42%) and product packaging (37%), while Millennial consumers show relatively equal concern between product manufacturing (22%), reusability (23%), packaging (23%), and shipping (21%) with warehousing being the least concerning.



Gen X is most concerned about sustainable packaging (39%), and Boomers want to see brands invest in more sustainable ways of shipping (41%).

From manufacturing to packaging and warehousing to product reusability, brands who work towards sustainable practices through their entire operations are more appealing to consumers of all age groups and gender categories.

By making these practices transparent your brand creates trust and loyalty with all target markets, regardless of gender or age.

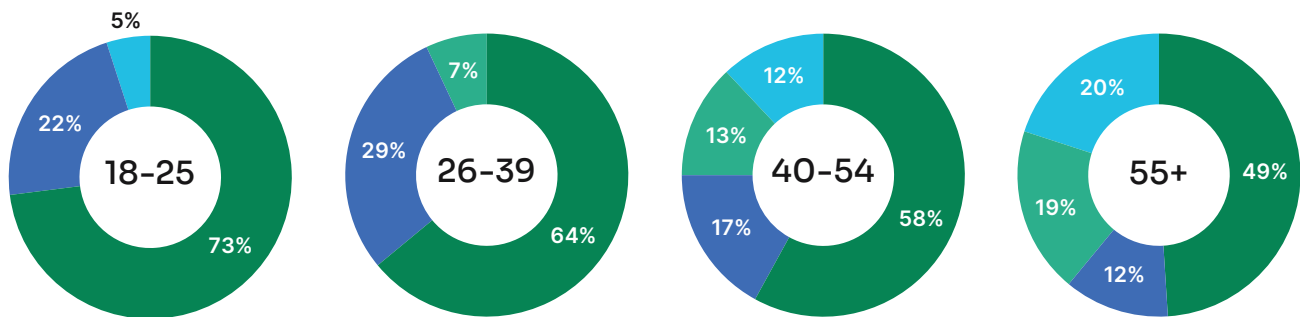
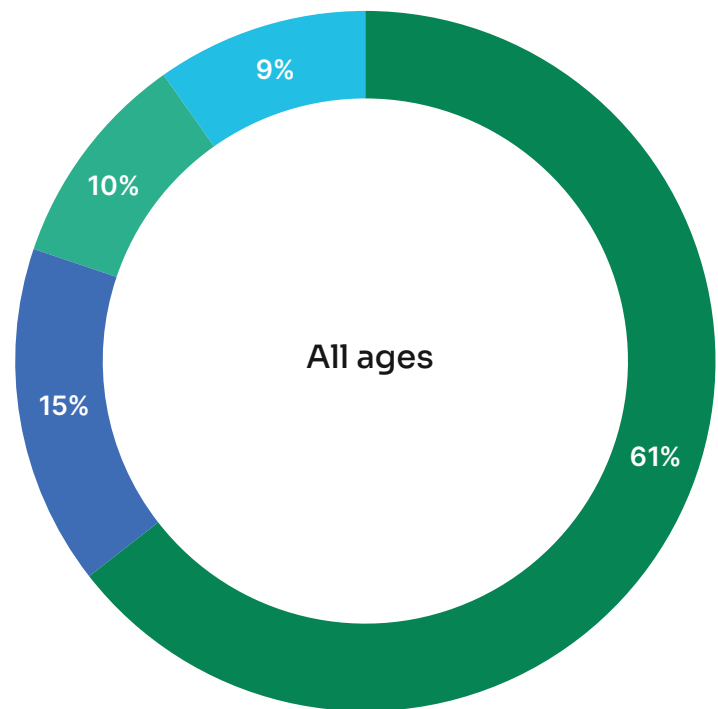


Shoppers find carbon emissions to be the most imminent threat to the environment when it comes to ecommerce.

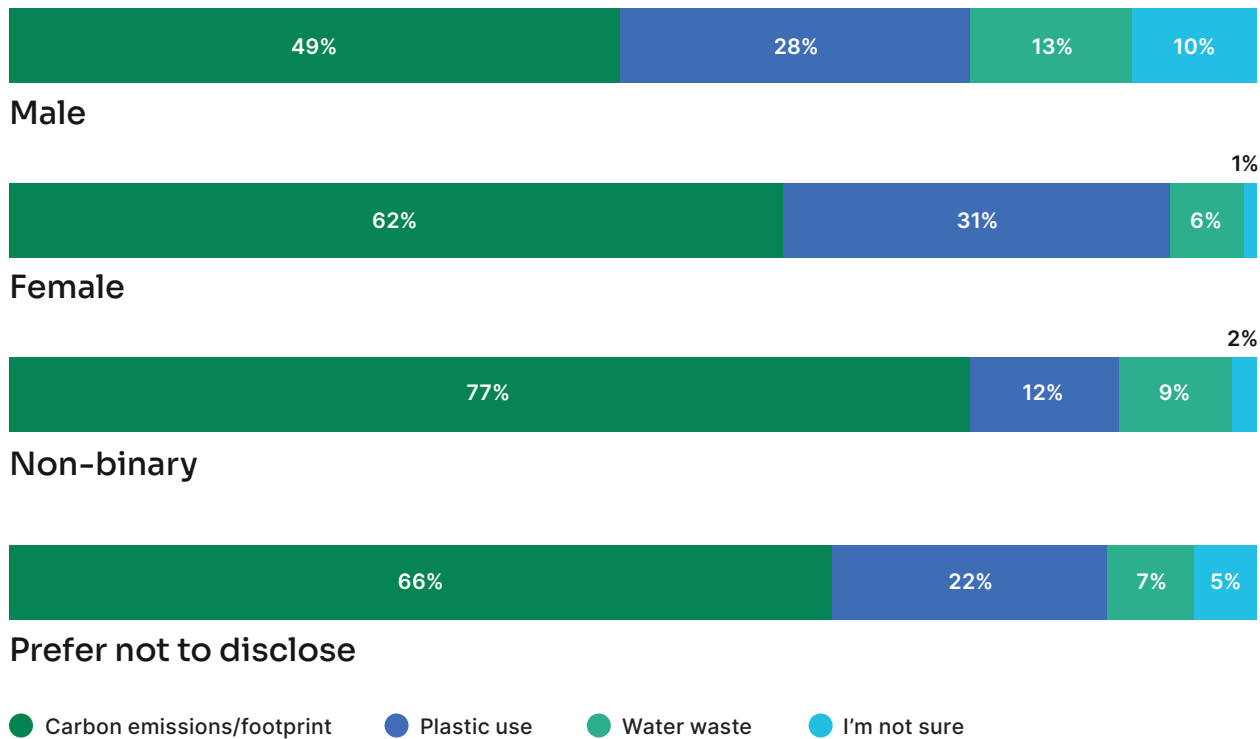
Consumers of all demographic categories are concerned about how ecommerce affects the environment.

Carbon emissions, plastic use, and water waste are viewed as the most imminent threats to the environment as outcomes of online shopping.

Two thirds of consumers in all age groups feel carbon emissions from ecommerce to be the most pressing threat to the environment with Gen Z shoppers feeling the most strongly. Plastic comes in a close second, with Millennial consumers feeling the strongest.



● Carbon emissions/footprint
 ● Plastic use
 ● Water waste
 ● I'm not sure



When broken into gender categories almost all females and non-binary folks find ecommerce to be harmful to the environment (carbon emissions, plastic use, and water waste) with carbon emissions being the most concerning. Plastic also comes in second with females having the largest category of concern. Males tend to find water waste more concerning than any other gender category.

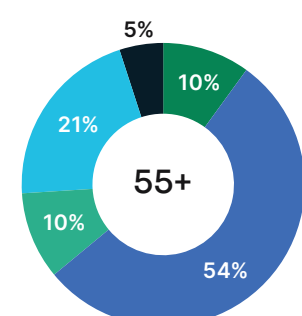
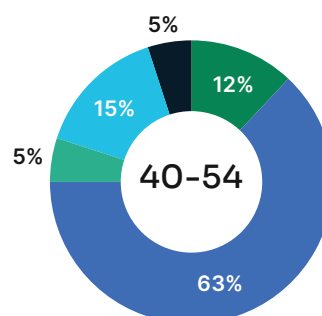
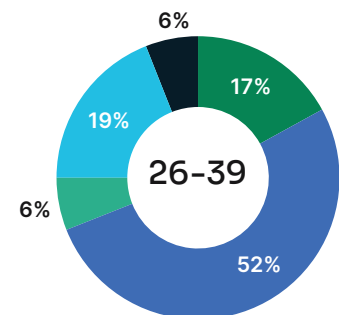
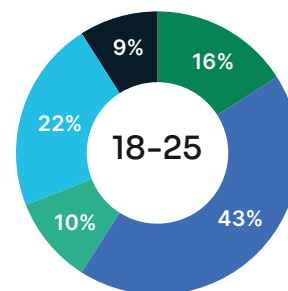
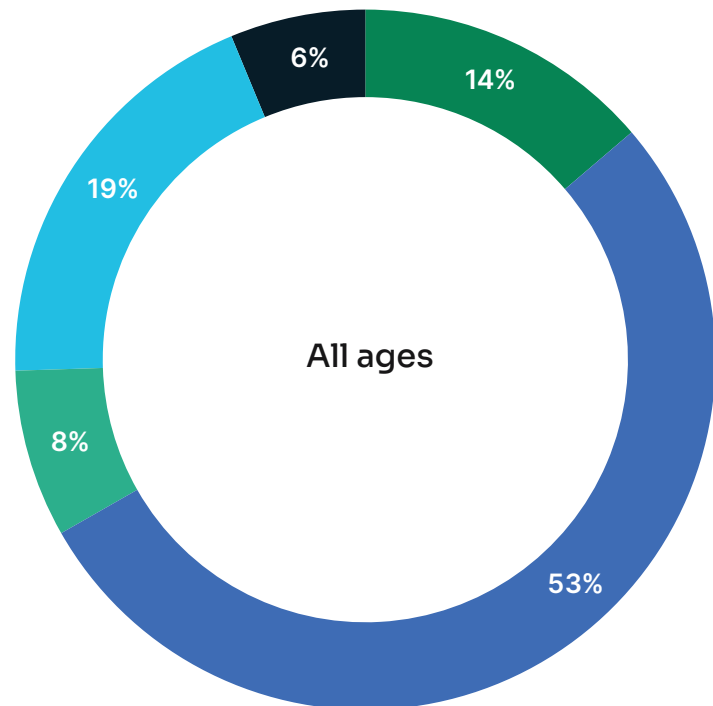
By addressing how your online brand is combating ecommerce threats to the environment openly and transparently, you put your shoppers at ease and build a lasting relationship. In fact, sustainable brands see a 10% lift in average order value meaning when shoppers feel their orders are doing less harm to the planet they are likely to spend more.

Most shoppers are willing to sacrifice convenience for a more sustainable option, but young shoppers are the least likely to do so.

Most shoppers are willing to sacrifice convenience for a more sustainable option with regards to their shopping habits.

However, there is one group of shoppers who appear to be less likely to do so: young shoppers. About half the amount of shoppers aged 18-25 (31%) are willing to sacrifice convenience for sustainability than shoppers overall (67%).

Younger generations have grown up in an age where convenience has become commonplace and expected. As such, many younger shoppers are unwilling or unable to make changes in their purchasing decisions which could lead them away from convenient options towards more sustainable ones. This reluctance can be attributed both to a lack of awareness surrounding the environmental impact of certain products as well as a preference for immediate gratification when making purchases.



- Very likely
- Likely
- Neutral
- Unlikely
- Very unlikely

Although it may take some effort on behalf of companies and retailers, it is possible for young shopper's attitudes to be changed.

Educating young shoppers on the long-term benefits of sustainable products, as well as providing incentives such as discounts or loyalty points for buying sustainable items could encourage more young shoppers to make the switch.

Furthermore, companies and retailers should focus on creating attractive packaging and marketing campaigns which can help to differentiate their products from those of competitors. This will help create a sense of value in customers, particularly younger ones who are more likely to respond positively to aesthetically pleasing packaging and cleverly designed advertising campaigns.

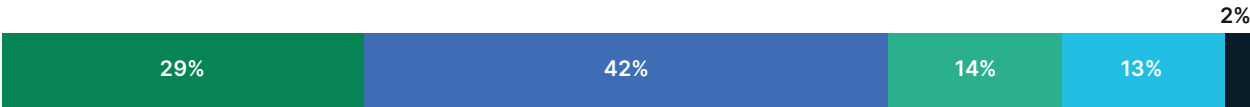
By taking these steps, companies and retailers can begin to change the mindset of younger generations so that they are willing and able to sacrifice convenience for sustainability when it comes time for them to make purchasing decisions.



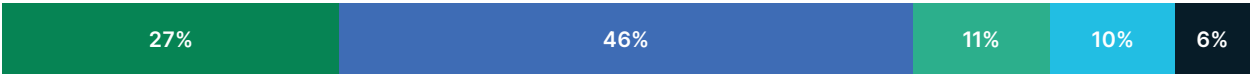
Male



Female



Non-binary



Prefer not to disclose

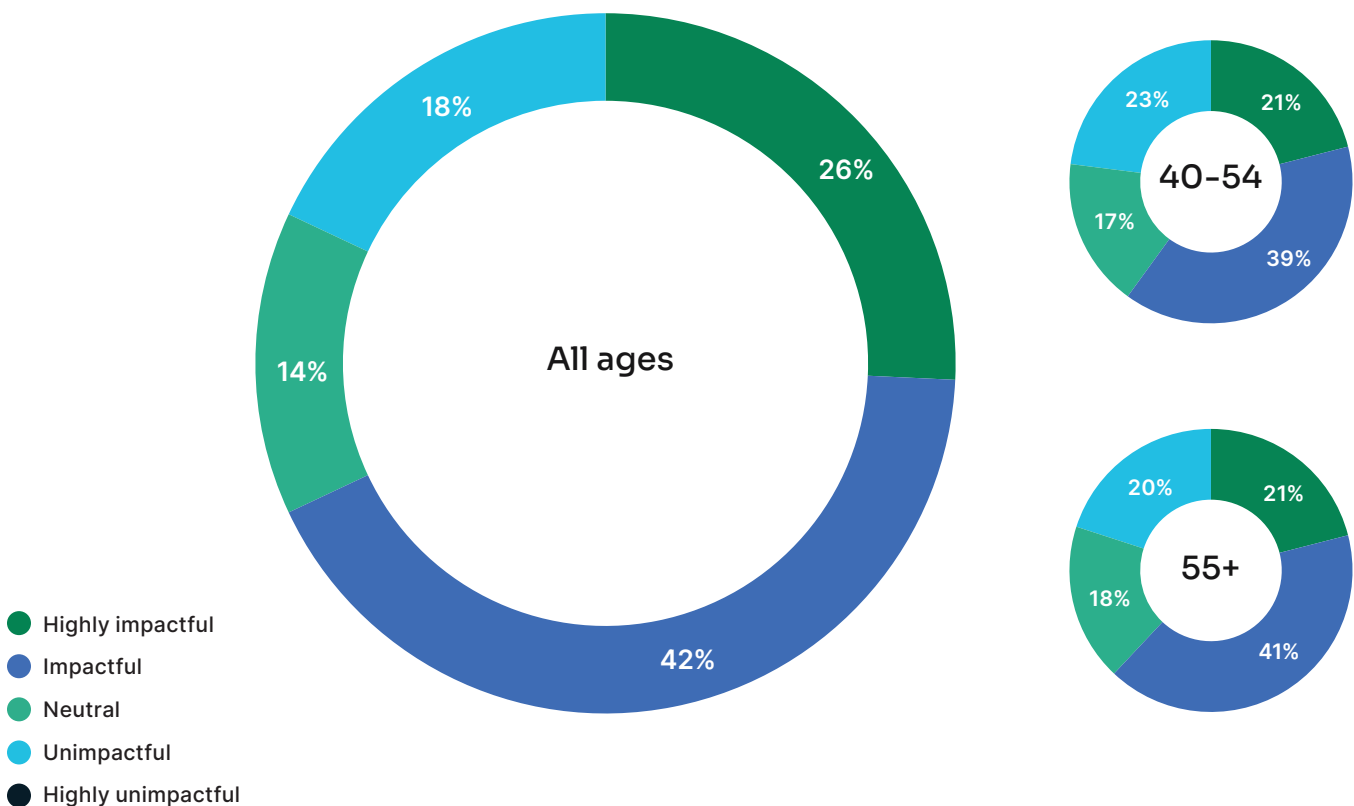
● Very likely ● Likely ● Neutral ● Unlikely ● Very unlikely

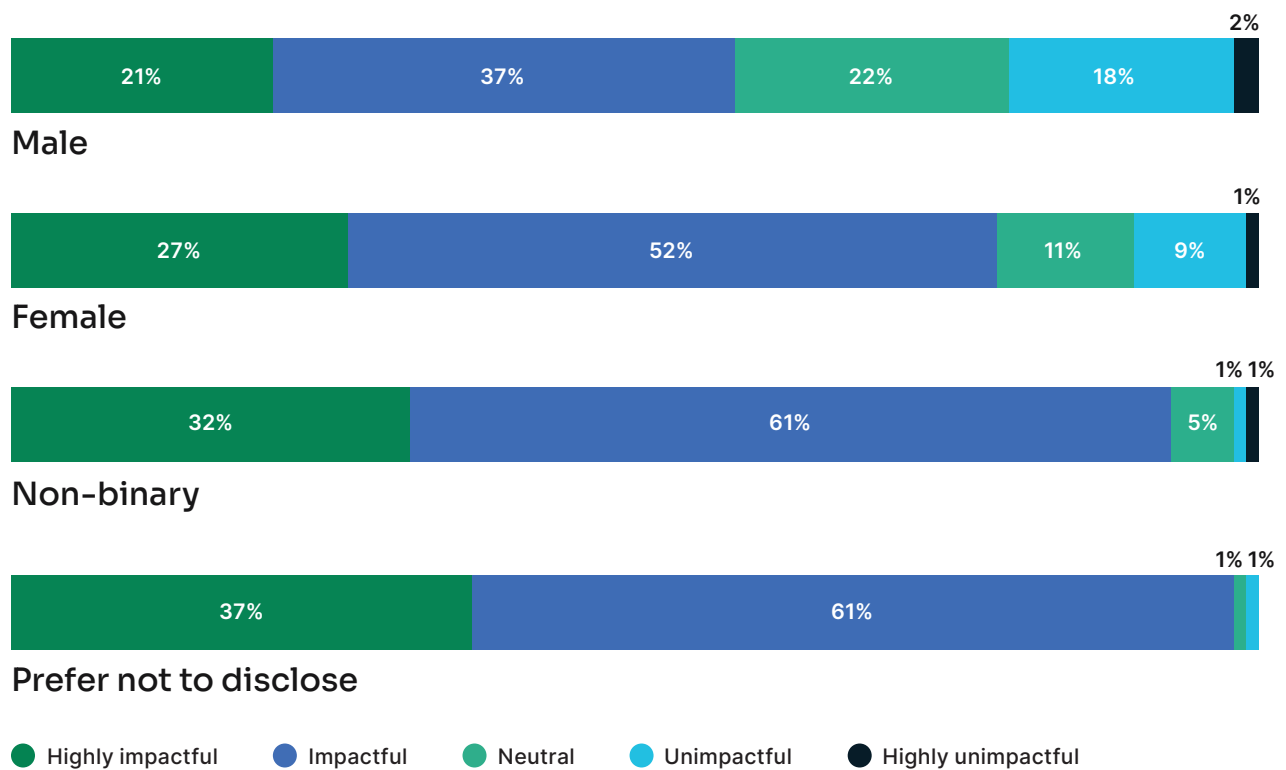
The majority of shoppers, across age groups, find carbon offsetting to be an effective way for ecommerce companies to counteract the emissions they can't diminish.

In the past few years, more and more ecommerce companies have begun to focus on carbon offsetting as a way of reducing their environmental impact.

The concept of carbon offsetting is simple: when an individual or company emits a certain amount of greenhouse gasses, they can purchase credits from another party that has reduced emissions by an equivalent amount. This helps to reduce the overall net emissions in the environment.

To determine how effective this strategy has been for ecommerce companies, we surveyed shoppers across age groups to get their opinion on carbon offsetting. We found that a majority of respondents (77%) believe that it is an effective way for companies to counteract their unavoidable emissions.





When broken down further by age group, we found that those aged 18-34 were the most likely to agree that carbon offsetting is an effective strategy (83%), followed by those aged 35-54 (76%) and 55+ (73%). Interestingly, we found no significant difference between genders in terms of agreement with this statement.

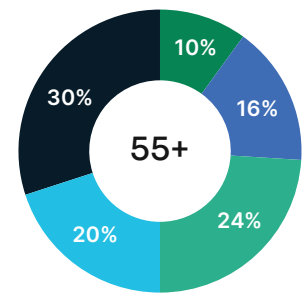
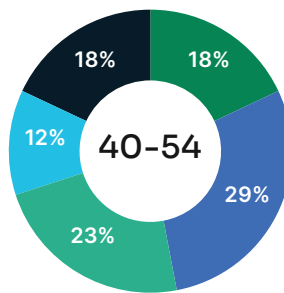
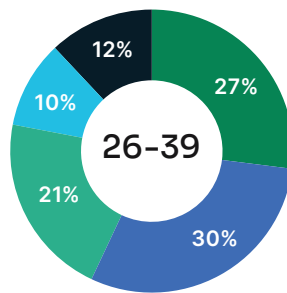
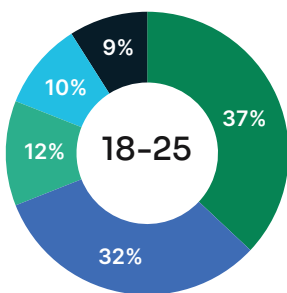
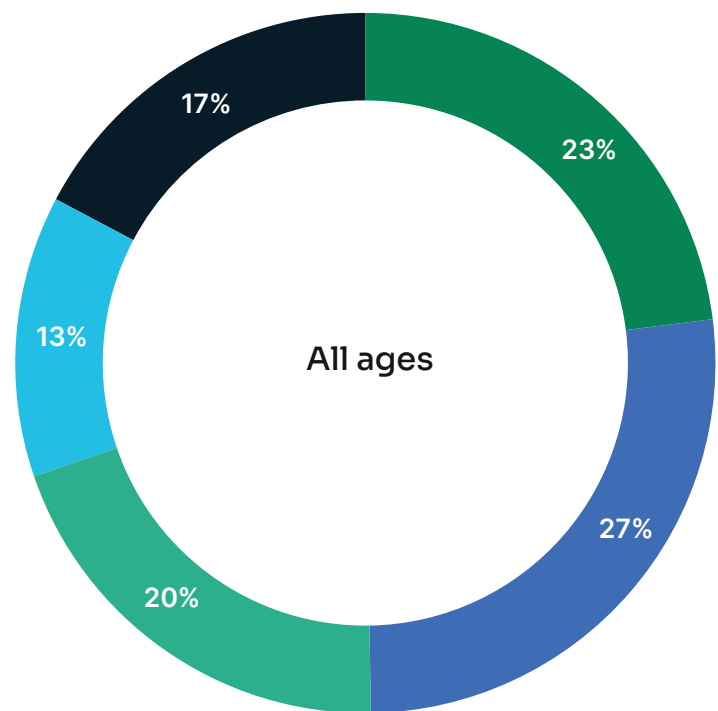
The results of this survey demonstrate that across age groups, shoppers believe that carbon offsetting can be an effective way for ecommerce companies to reduce their emissions. This suggests that embracing such strategies could have a positive effect on customer perceptions and help build trust in the company's commitment to sustainability. It also indicates that customers are increasingly looking for ways to support businesses who are taking steps towards reducing their environmental impact.

The majority of shoppers check to see if a brand has sustainability initiatives before making a purchase, and the younger the shopper the more likely they are to check if a brand is sustainable.

As the world becomes more aware of environmental concerns, shoppers are increasingly looking for sustainable options when making purchases.

Our data report has revealed that the majority of shoppers across all age groups now take into consideration a brand's sustainability efforts before buying an item.

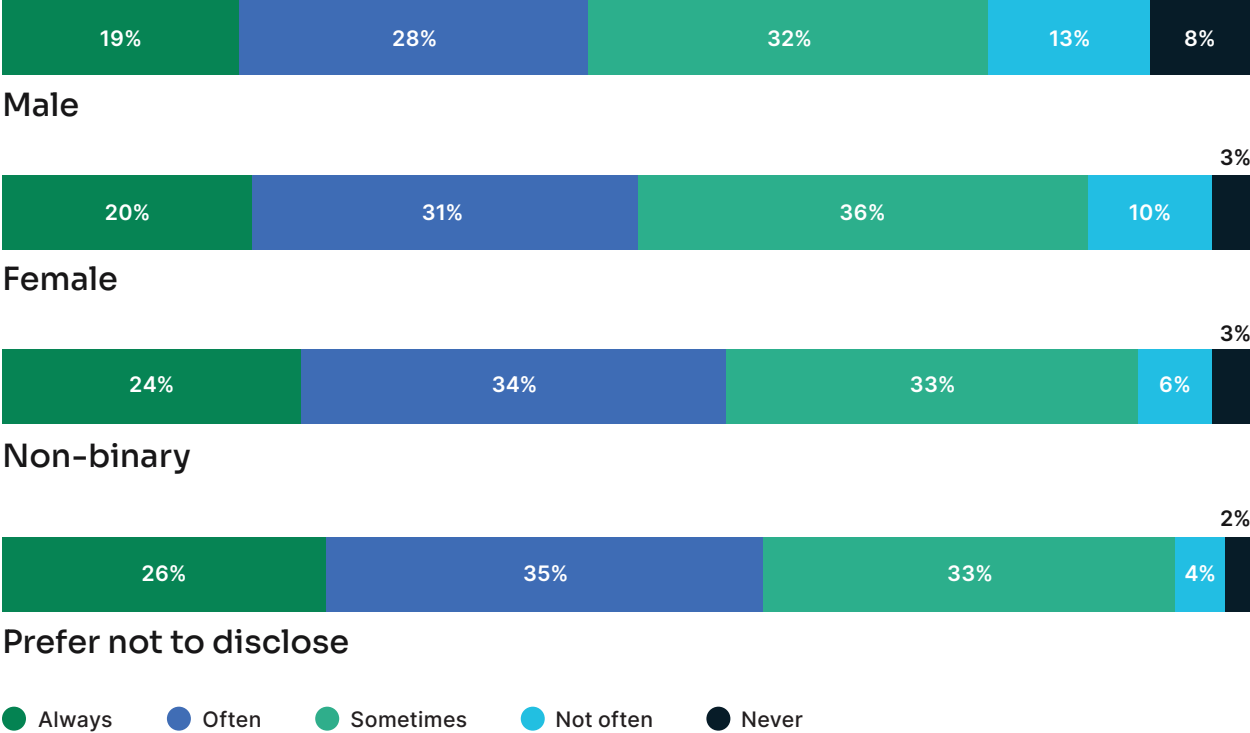
The younger generations in particular have shown a strong preference for brands that prioritize sustainability, with our data showing them to be especially likely to check if a brand is making an effort to be more environmentally conscious. This could be due to their growing awareness and concern about environmental issues, or simply because they understand the importance of choosing eco-friendly products whenever possible.



● Always
 ● Often
 ● Sometimes
 ● Not often
 ● Never

For example, we found that nearly three quarters (74%) of 18-24 year olds actively research whether or not a brand is sustainable before making a purchase, while only 55% of those aged 45-54 do the same. This indicates that younger shoppers are more likely to be influenced by sustainability when it comes to their buying decisions. We also found that those in the 25-34 year old age bracket were more likely than any other group (68%) to take into account how their purchases might affect the environment before making them. In addition, our research showed that over half (58%) of 35-44 year olds also pay attention to whether or not a company has implemented sustainable practices when deciding which products they should buy.

Overall, this data shows that an increasing number of people across all age groups are now looking for brands with strong sustainability initiatives. This is especially true for younger shoppers, who are more likely to research a company’s environmental efforts before making any purchases. As sustainability continues to become an increasingly important factor in the buying decisions of consumers, it is essential that companies take steps to ensure their products and practices are as eco-friendly as possible.

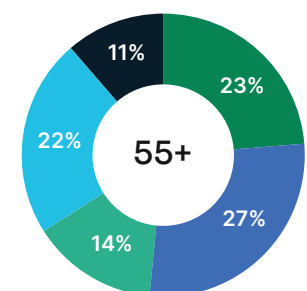
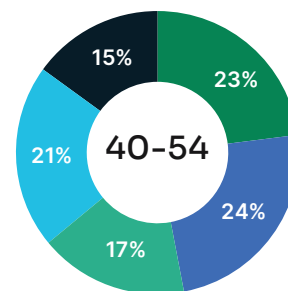
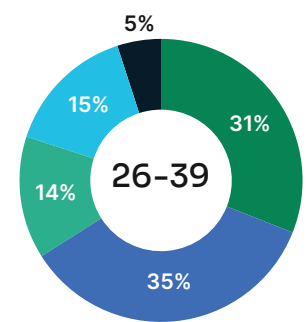
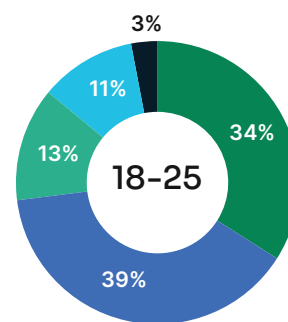
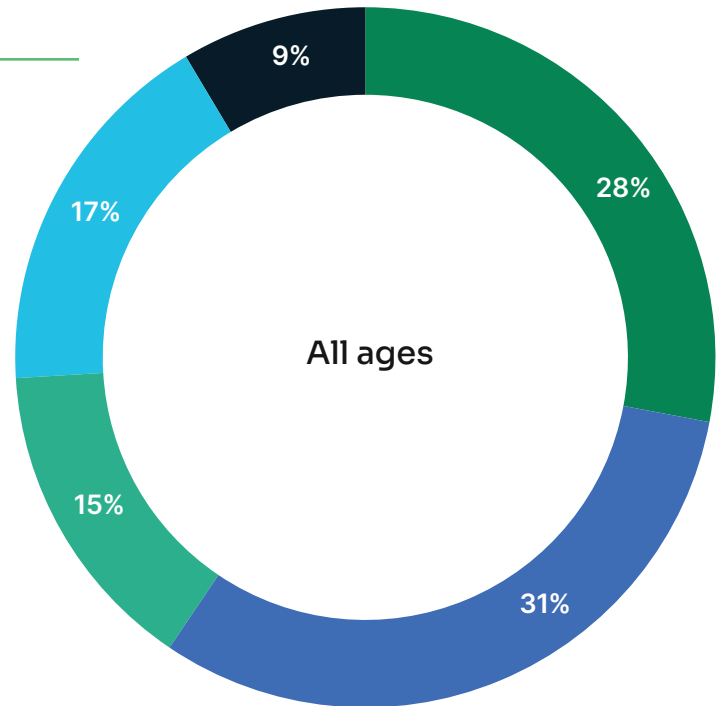


More than half of shoppers are enthusiastic about doing their part and paying more for their order to be more sustainable.

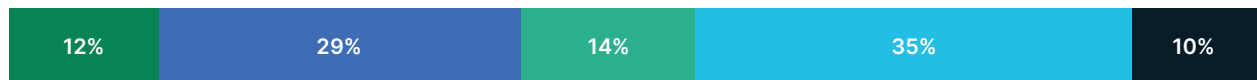
The data report revealed that more than half of shoppers are enthusiastic about doing their part to be more sustainable and paying a bit extra for it.

This enthusiasm was especially strong among millennial and gen z shoppers, with over two-thirds of them expressing excitement in being able to contribute towards creating a better environment.

When asked why they felt this way, the majority of respondents cited wanting to reduce their carbon footprint as the main reason behind buying more sustainable items. The second most popular reason was simply believing that sustainability should be part of everyday life and so taking action through purchasing decisions seemed like an obvious choice.



- Very likely
- Likely
- Neutral
- Unlikely
- Very unlikely



Male



Female



Non-binary



Prefer not to disclose

● Very likely
 ● Likely
 ● Neutral
 ● Unlikely
 ● Very unlikely

The survey also showed that millennial and Gen Z shoppers were willing to go above and beyond what traditional consumers would do when it came to sustainability. For example, they were more likely to switch out their regular products for sustainable alternatives even if it meant paying a bit extra or having less convenient options.

When asked what type of products they would most likely pay more for in order to be more sustainable, the majority of respondents said groceries and personal care items like shampoo and soap. This is due to the fact that these are everyday purchases and thus have a greater impact on how much people contribute towards sustainability efforts.

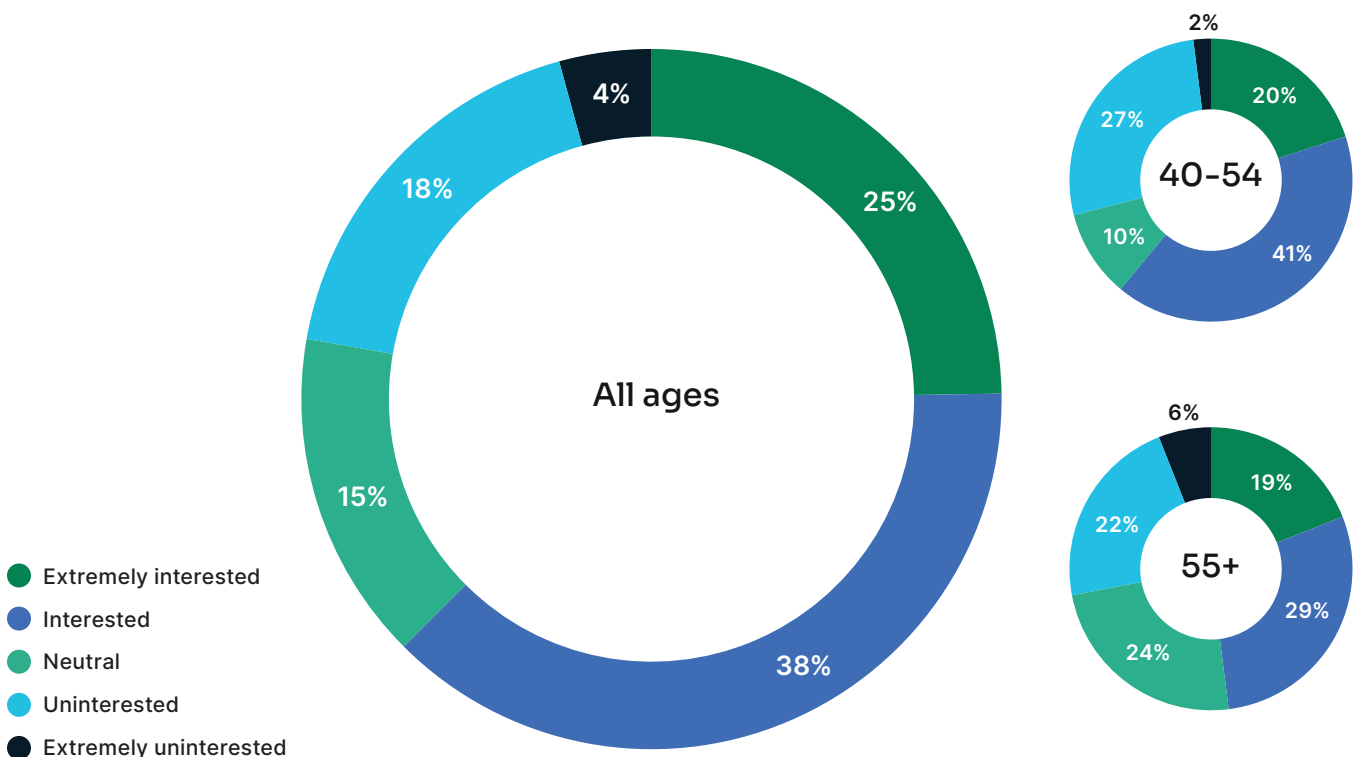
These findings show that millennial and Gen Z shoppers are particularly enthusiastic about doing their part when it comes to being more sustainable, with many expressing willingness to go above and beyond traditional consumer behavior by switching out their regular products for sustainable ones at an additional cost. This is a promising development that could have a significant impact on the environment if more people follow suit.

Two-thirds of shoppers want to support businesses that are transparent about their ecological footprint and how they are minimizing it.

The data report reveals that 63% of all consumers are interested in the transparency of a business' ecological impact and how they are minimizing it.

This is an important statistic, as it shows that consumers care about the environmental footprint of businesses with which they interact. It also reveals that 75% of millennial shoppers have a greater interest in this topic than other age groups. This increased interest among millennials could be attributed to their generation's focus on sustainability and ethical consumerism. They tend to pay close attention to companies' social responsibility efforts and prefer brands who make an effort to reduce their environmental impact.

As a result, businesses should be mindful of the ecological footprint they are leaving and how it will be perceived by consumers. They should strive to make transparency a priority when it comes to their environmental practices, such as using eco-friendly materials and packaging, reducing energy consumption in production processes, or utilizing renewable energy sources for electricity.



Additionally, companies can work with third-party organizations to certify that their products meet certain standards for sustainability. This provides assurance that the business is taking all necessary steps to minimize its ecological impact while still providing quality goods and services. The data report also shows that there has been an increase in consumer demand for sustainable products over recent years. Companies must keep up with this trend and ensure that their practices are in line with consumer expectations. It is important for businesses to be aware of the growing need for transparency when it comes to ecological impact, and take steps to minimize it as much as possible.

Overall, this data report reveals that 63% of all consumers are interested in the transparency of a business' ecological impact and how they are minimizing it. Furthermore, 75% of millennial shoppers have an even greater interest in this topic than other age groups. Businesses should strive for transparency when it comes to their environmental practices and work towards reducing their ecological footprint.



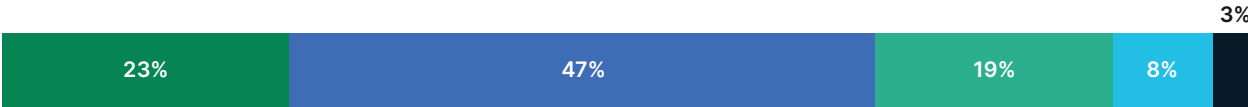
Male



Female



Non-binary



Prefer not to disclose

- Extremely interested
- Interested
- Neutral
- Uninterested
- Extremely uninterested

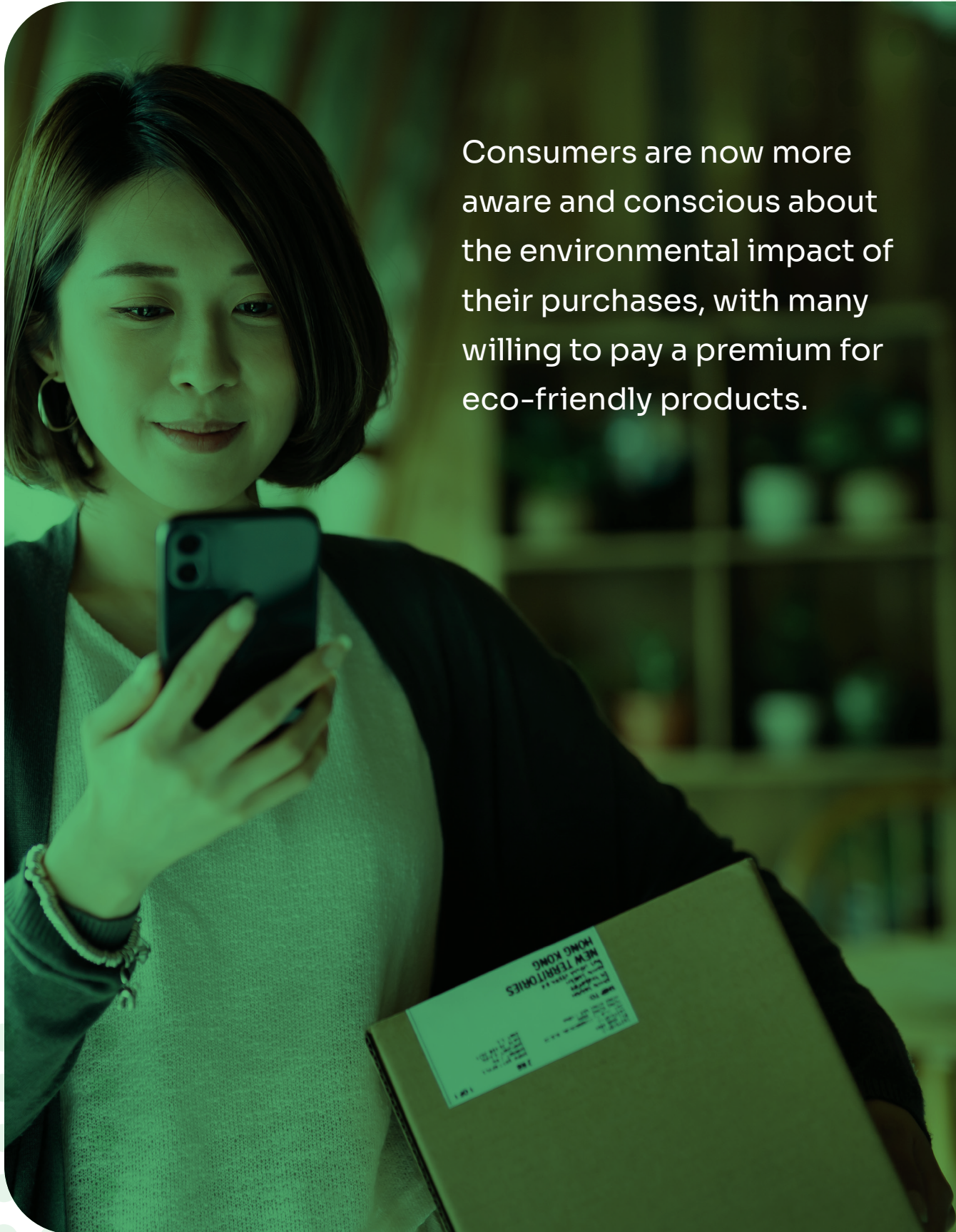
Conclusion

The State of Sustainability In Ecommerce 2023 data report has revealed that sustainability is becoming increasingly important for ecommerce businesses.

Consumers are now more aware and conscious about the environmental impact of their purchases, with many willing to pay a premium for eco-friendly products. Businesses have responded by introducing sustainable practices such as reducing packaging waste, using recycled materials in product design, and providing carbon offsets to customers. This trend is likely to continue in the future as businesses seek ways to become more sustainable while still meeting customer needs and expectations.

In addition, the report reveals that technology plays an important role in helping ecommerce companies achieve sustainability goals. Automation tools have enabled businesses to reduce manual processing time and energy usage while improving efficiency and accuracy. AI-driven solutions have also enabled companies to better target and personalize customer experiences, leading to increased customer satisfaction and loyalty.

Overall, the State of Sustainability In Ecommerce 2023 data report has shown that sustainability is becoming increasingly important for ecommerce businesses. Companies are now taking proactive steps to reduce their environmental impact while still meeting customer needs and expectations. Technology is playing a key role in helping companies achieve these goals, enabling them to become more efficient and cost-effective while improving their ability to provide personalized experiences for customers. As this trend continues into the future, it is likely that sustainability will remain an important part of eCommerce business strategy.



Consumers are now more aware and conscious about the environmental impact of their purchases, with many willing to pay a premium for eco-friendly products.



About EcoCart

EcoCart is a sustainability solution that enables businesses to calculate and offset the carbon emissions associated with their value chain and then encourages consumers to engage with them through transparent and authentic front-end experiences.

By vetting and partnering with various projects and organizations, such as forest protection and building clean energy sources, EcoCart determines the amount of each carbon offsetting activity needed to counteract specific amounts of carbon emissions and then matches the cost of doing so with each order's amount of emissions. EcoCart then empowers brands to leverage their offsetting initiatives into their customer experience through cart, landing page, banner, and other on and off-site experiences.

For more information, please visit us at ecocart.io

