

## Ethical Retailing: Inc Impact of COVID-19 - UK - August 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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“The media and high-profile events have all helped to raise consumer awareness regarding ethical standards for retailers. This has been even more prominent during COVID-19, with many headlines covering how retailers have treated staff during the pandemic.”  
**– Chana Baram, Senior Retail Analyst**

This report looks at the following areas:

- The impact of COVID-19 on the ethical retailing market.
- How consumers expect retailers to behave in light of COVID-19.
- Issues that are deal breakers for consumers when choosing a retailer.
- Consumer attitudes towards ethical retailing

Plastic pollution remains the top issue on everyone’s minds – with 46% of people citing this as the ethical issue most important to them. However, the tides are changing and we can already see that among the younger generation climate change is deemed more important. Consumers are heavily influenced by current situations and with so many impactful protests about climate change throughout 2019 it is no wonder this is now higher on the agenda for many.

Since the onset of COVID-19 the new focus is on community and people. Three in five people felt strongly that retailers were responsible to protect their staff’s health and livelihoods as much as possible at this time. Three in five said that retailers should only operate if they are able to socially distance and that they should protect staff financially. Many consumers are aware of which retailers were responsible during lockdown, while those that were not made headlines.

However, many shoppers will not be able to afford to be picky. With the economy now in recession and many worried about what this means for their financial stability, shoppers could begin to trade down. With so many equating shopping ethically with spending more, customers are likely to trade down and shop wherever is most convenient and affordable, especially as special offers were deemed one of the main draws when buying a product.

That said, there remain ethical and sustainable opportunities for retailers. Many affordable retailers such as Tesco and IKEA are working on ethical and sustainable initiatives such as reusable packaging and plant-based foods and should be signposting these and highlighting them to customers both in-store and online. It is time that shopping ethically was not seen as something only for those who are more financially stable.

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## Table of Contents

### Overview

- Key issues covered in this Report
- Products covered in this Report
- COVID-19: Market context
- Economic and other assumptions

### Executive Summary

#### Impact of COVID-19 on ethical retailing

Figure 1: Short, medium and long-term impact of COVID-19 on ethical retailing, August 2020

#### The market

#### Strikes and protests have increased awareness around carbon emissions

Figure 2: Gen Z environmental behaviours, June 2019

#### More people are going meat-free

Figure 3: Consumers' meat eating habits, 2017-19

#### Spotlight on diversity

Figure 4: Managers, directors and senior officials in employment in the UK, by ethnic group, 2014 and 2019

#### Government reduces CO2 emissions

Figure 5: UK total greenhouse gas emissions headline results, 1990-2018

#### Companies and brands

#### Supermarkets are working to reduce packaging and waste

#### Blockchain technology allows for greater transparency

#### The Body Shop and Lush are viewed as the most ethical retailers

#### The consumer

#### Plastic pollution remains a priority

Figure 6: Importance to consumers of the main ethical issues, June 2020

#### People prefer to shop with retailers they can relate to

Figure 7: Frequency of ethical shopping behaviour patterns, June 2020

#### Reviews play an important role in purchasing decisions

Figure 8: Expectations of retailers' ethical responsibilities, June 2020

#### Special offers are an important factor

Figure 9: Factors that would encourage purchases, June 2020

#### There remains confusion about how to shop ethically

Figure 10: Consumer shopping behaviours towards ethical retailing, June 2020

#### Transparency and trust are key

Figure 11: Consumer attitudes towards ethical retailing, June 2020

### COVID-19 and Ethical Retailing

#### The Market

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COVID-19 has stymied efforts to reduce excess waste  
 Diversity and gender pay gap reports have been put on hold  
 The Consumer  
 People are more engaged with environmental issues since COVID-19  
 Worries about finances could impact spend on ethical items  
 Shoppers are making more considered purchases  
 Online shopping increases waste from packaging  
 Protection of staff welfare has become more of a priority  
 Charitable work and giving back have grown in importance  
 Convenience became more important under lockdown  
 Shopping ethically has become more difficult for many

### Issues and Insights

COVID-19 has led to a problem with excess packaging  
 Hygiene concerns leading to a move away from reusables  
 Figure 12: A selection of Loop's reusable packaging options, 2020  
 Eco packaging for online shopping  
 Figure 13: Patagonia reducing the amount of plastic used in product packaging, 2015  
 Figure 14: Zalando trials RePack reusable packing for consumers in September 2019  
 Technology can be utilised to make it easier for people to shop ethically  
 Figure 15: Cult Beauty pioneers transparency in beauty with the Provenance blockchain platform, 2020

### The Market – Key Takeaways

COVID-19 has stymied efforts to reduce excess waste  
 Strikes have helped to increase awareness around carbon emissions  
 Increase in the number of people going meat-free  
 Spotlight on diversity

### Market Drivers

Worries about excess waste are prevalent...  
 Figure 16: Most important environmental issues, April 2018  
 ...although COVID-19 has led to increased concerns about hygiene  
 Figure 17: Behaviours towards product packaging, 18-24 June 2020  
 Protests and strikes raise awareness about pollution  
 Figure 18: Gen Z environmental behaviours, June 2019  
 More people are switching to meat-free diets  
 Figure 19: Consumers' meat eating habits, 2017-19  
 BLM marches bring diversity to the fore  
 Figure 20: Managers, directors and senior officials in employment in the UK, by ethnic group, 2014 and 2019  
 Government reduces CO2 emissions  
 Figure 21: UK total greenhouse gas emissions headline results, 1990-2018

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## Gender pay gap persists

Figure 22: Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 1997-2019

## Companies and Brands – Key Takeaways

Supermarkets are working to reduce packaging and waste

Blockchain technology allows for greater transparency

The Body Shop and Lush are seen as most ethical retailers

Primark working to change ethical brand image

## Launch Activity and Innovation

Retailers take notice of attitudinal shift towards low-cruelty diets

Figure 23: Tesco's Plant Chef vegan range, 2019

Consumers consider waste and packaging a hot topic

Asda sells ready meals in recyclable packaging

Iceland trials reduced packaging scheme

Tesco partners with Loop delivery to cut down single-use plastics

Waitrose extends its Unpacked concept

Sainsbury's invests in green programme

Figure 24: Waitrose Unpacked store, 2019

Convenience stores launch refill stations

Lush creates carbon-neutral packaging

Figure 25: Lush Naked store in Manchester, 2019

Planet Organic expands its zero waste

Shoppers demand greater transparency in supply chains

Retailers partnering with ethically focused companies to prove credentials

Blockchain technology leveraged to share and authenticate product histories

Figure 26: Cult Beauty and the Provenance platform, 2020

Independent craft brewer makes sustainability a key part of its future

Figure 27: BrewDog's sustainability drive, 2020

Workers' rights in the spotlight

Figure 28: Primark's Wellness range in Shoreditch pop-up, 2020

Retailers are recognising the importance of being inclusive

## Brand Research

The Body Shop and Lush compete for most ethical retailer

Figure 29: Top ranking of retail brands\*, by agreement with "ethical", Dec 2019-Apr 2020

Primark's working to change ethical brand image

Figure 30: Inside Primark's wellness pop-up in Boxpark Shoreditch, 2020

Figure 31: Top ranking of retail brands\*, by agreement with "unethical", Oct 2018-Feb 2020

Brand research methodology

## The Consumer – Key Takeaways

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People are more engaged with environmental issues since COVID-19

Younger generations are anxious about climate change

Fake product reviews are a top concern

Protection of staff welfare has become more of a priority

## Impact of COVID-19 on Consumer Behaviour

Worries about finances could impact spend on ethical items...

Figure 32: Impact COVID-19 will have in the UK, 18-24 June 2020

...with women more likely to think about financial security

Figure 33: Change in lifestyles as a result of COVID-19, by gender, 18-24 June 2020

Shoppers are now making more considered purchases

Figure 34: People who will be cutting back on non-essential spending since COVID-19, by age and gender, 30 July-7 August 2020

Some are now more engaged in environmental issues...

Figure 35: Changing priorities since COVID-19, 7-14 May 2020

...but online shopping increases waste from packaging

Figure 36: People who are shopping more online since COVID-19, 16 April-7 August 2020

## Importance of Ethical Issues

Plastic pollution remains a priority...

Figure 37: Importance to consumers of the main ethical issues, June 2020

...but younger generations are more concerned about climate change

Figure 38: Consumers who chose either plastic pollution or climate change as the ethical issue most important to them, by generation, June 2020

Women are more concerned about treatment of animals and people

Figure 39: Consumers who chose animal welfare, treatment of workers or air pollution as their main ethical concern, by gender, June 2020

Figure 40: Bulldog's Bamboo Razor advert on the London Underground, 2018

## Ethical Shopping Patterns

People prefer to shop with retailers they can relate to

Figure 41: Frequency of ethical shopping behaviour patterns, June 2020

Younger shoppers more locally minded

Figure 42: People who either always or often try to support smaller retailers, by age, June 2020

## Deal Breakers

Reviews play an important role in purchasing decisions

Figure 43: Expectations of retailers' ethical responsibilities, June 2020

Women are more likely than men to boycott a retailer

Figure 44: Expectations of retailers' ethical responsibilities – women, by age, June 2020

## Interest in Claims

Special offers are an important factor for all

Figure 45: Factors that would encourage purchases, June 2020

Older shoppers are more inclined to opt for items made in the UK

Figure 46: People who stated that the following factors would encourage purchases, by age, June 2020

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## Ethical Concerns during COVID-19

Public think that retailers should be protecting staff welfare

Figure 47: Ethical concerns retailers should be taking into account during COVID-19, June 2020

Charitable work and giving back have grown in importance

## Ethical Shopping Behaviours

There remains confusion about how to shop ethically

Figure 48: Consumer shopping behaviours towards ethical retailing, June 2020

COVID-19 has put ethical shopping on pause

## Attitudes towards Ethical Retailing

Transparency and trust are key for customers

Figure 49: Consumer attitudes towards ethical retailing, June 2020

Many are wary of large online players

Ethical retailing is often viewed as premium

Figure 50: Ethical retailing – CHAID – Tree output, June 2020

Figure 51: Ethical retailing – CHAID – Table output, June 2020

Methodology

## Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

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