

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

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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.



“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

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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

What's included

Executive Summary

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Powerpoint Presentation

Interactive Databook

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- **Transparency and trust are key**

Figure 11: Consumer attitudes towards ethical retailing, June 2020

COVID-19 AND ETHICAL RETAILING

- **The Market**
- **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...**

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- Infographic Overview
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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

- **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**

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Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

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- **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

- **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...**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

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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

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

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- **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

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**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

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