



How retailers and consumers are accelerating climate-conscious shopping



Trend Report #2

BFCM & Holiday Shopping
2022



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Across the globe, the climate crisis worsens. Its impact is being felt more frequently and more intensely than ever. The need to act is clear.

Where do retailers' responsibilities lie in this changing world? Are consumers hungry for more climate-conscious options? Or, in the face of worsening macroeconomic headwinds, will sustainable initiatives be deprioritized by shoppers?

Thankfully, consumers and retailers alike remain steadfast in their commitment to climate-consciousness. Shopify's survey of more than 24,000 shoppers and 9,000 small to medium size businesses (SMBs) from 12 countries across the globe reveals that, despite tightening budgets, businesses and consumers are prioritizing sustainability practices, such as carbon-neutral shipping or taking a "low or no waste" approach.

Still, the picture is far from uniform. While there's positive momentum with climate-conscious shopping, which means purchases have led to reduced or even positive environmental impact, demographic and regional attitudes vary significantly.

Younger generations are prioritizing climate-conscious approaches – regardless of whether that means higher prices or slower deliveries. From biodegradable packaging to in-store recycling, businesses can harness that energy with new initiatives.

This shopping season, **climate-consciousness** is top of mind for shoppers. Here, we explore how this trend will shift consumerism to benefit retailers, consumers, and the planet.



Part 1



Consumers won't budge on sustainability despite wallet squeeze

Even with budgets tightening, consumers are prioritizing the planet

A turbulent economic picture isn't deterring conscious shoppers.

More than half (54%) of consumers say they now shop sustainably (for example, by choosing retailers that offer carbon-neutral shipping or a "low or no waste" approach), with 25% of those shoppers planning to become even more sustainable in the year ahead. Just 18% say they don't shop sustainably, and have no plans to start.

Reflecting the energy they've displayed in the climate movement—from school strikes to the rise of eco-friendly diets—younger generations are also driving the conscious shopping revolution. 59% of Gen Z consumers and 61% of millennials shop sustainably—with 31% of both age groups planning to be even more sustainable next year.

Enthusiasm among older shoppers is more subdued, though still significant. Half (50%) of 55- to 64-year-olds shop sustainably, as well as a similar number (47%) of those 65+.

Which of the following best describes how you shop now and plan to shop in 2023?

	18-24	25-34	35-44	45-54	55-64	65+
I shop sustainably and plan to be more sustainable in 2023	31%	31%	29%	24%	22%	17%
I shop sustainably and plan to keep this the same in 2023	28%	30%	29%	28%	28%	30%
I shop sustainably but plan to be less sustainable in 2023	10%	8%	9%	7%	5%	4%
I do not shop sustainably but plan to be more sustainable in 2023	19%	19%	18%	22%	23%	25%
I do not shop sustainably and don't plan to change that	12%	12%	16%	20%	22%	25%



Sustainable shopping is on the rise despite overall caution on spending

38%

of consumers are cautious about spending due to the cost of living crisis



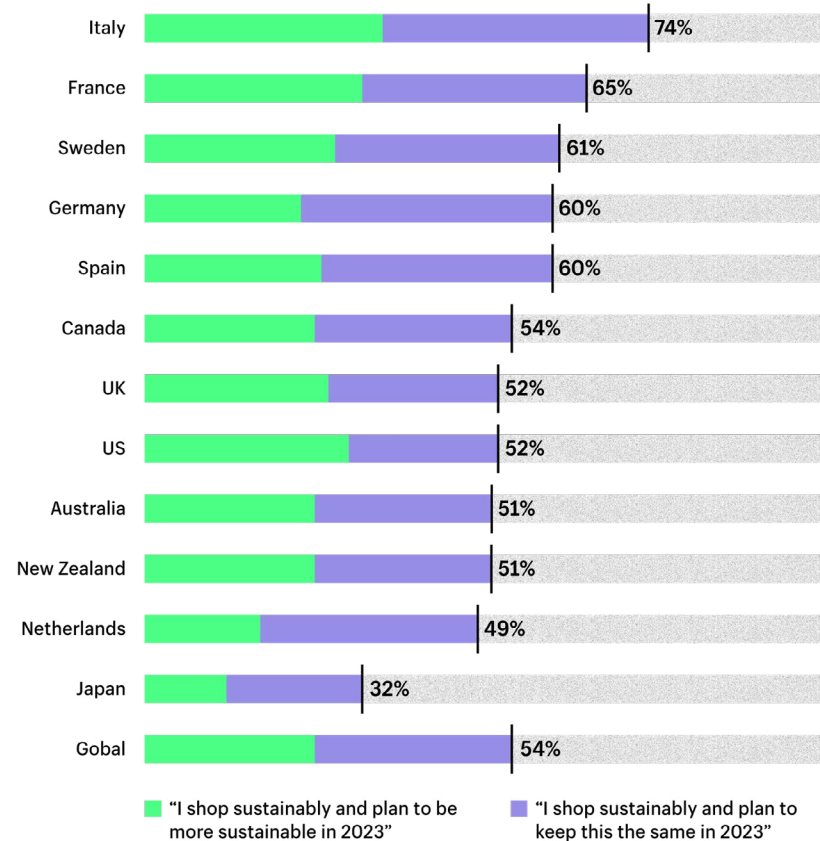
75%

say they've reduced disposable spending in recent months—making the resilient appetite for conscious shopping all the more stark

European consumers lead the world in conscious shopping

All countries surveyed in mainland Europe, aside from the Netherlands, register 60% and higher for consumers shopping sustainably—well above the global average of 54%.

European consumers lead the world in conscious shopping

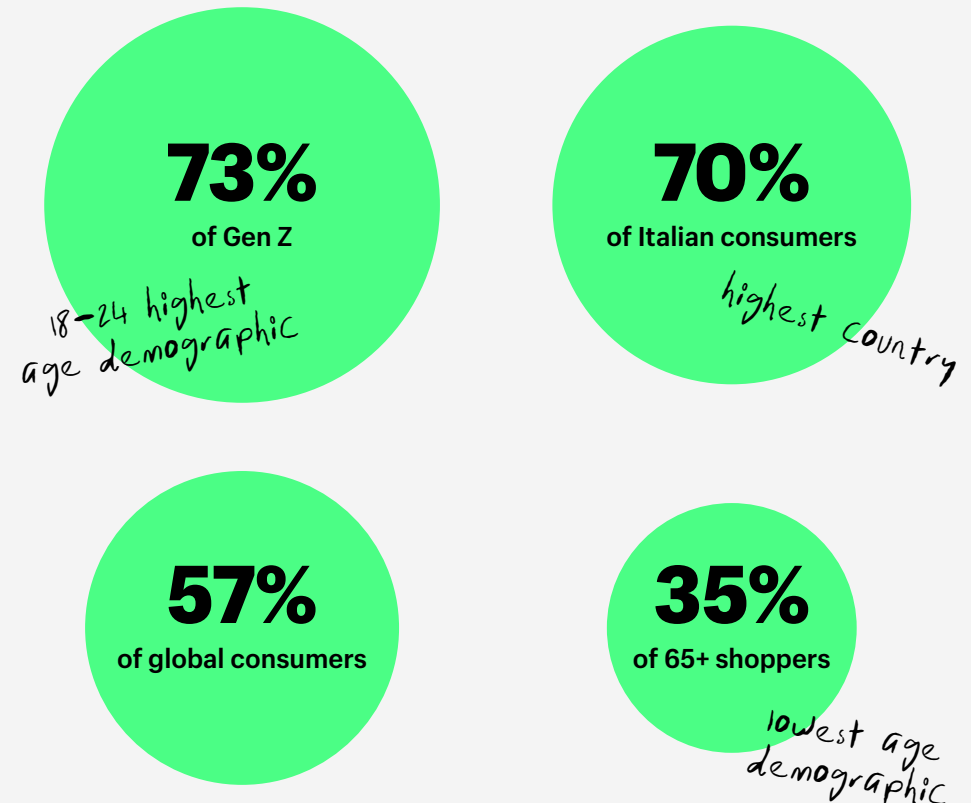


Consumers' consciousness represents a growing opportunity for businesses

Investing in sustainability isn't just good for the planet—it's good for business. With younger shoppers significantly more likely to say they're planning to purchase from sustainable brands, climate credentials will be fundamental to securing interest from the next generation of consumers. Bolstering the case for climate-conscious options, 82% of businesses agree that sustainability and improved company performance are interlinked.

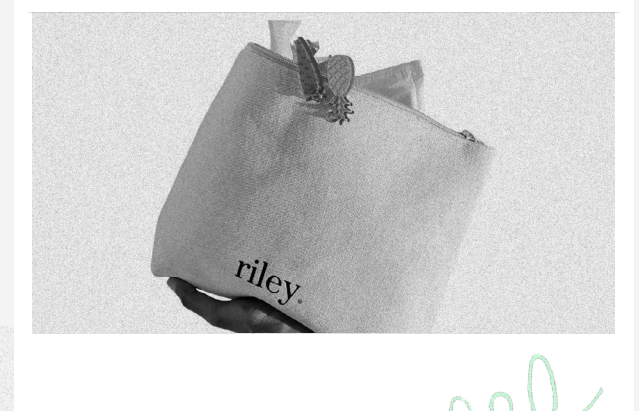


Numbers of consumers planning on shopping from sustainable brands and/or purchasing sustainable products during the Black Friday Cyber Monday season

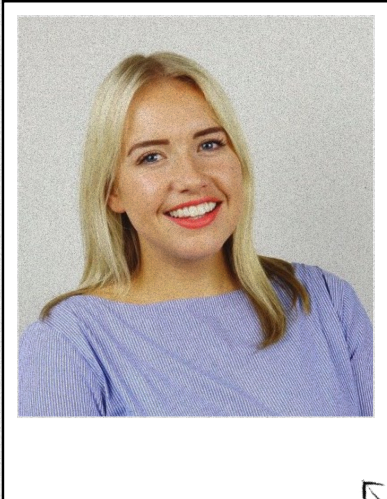


Purpose-driven retailers stand to be rewarded

Not only are consumers planning to make climate-conscious purchases, they're also more likely to reward conscious retailers another way—with loyalty. Over a quarter (26%) of consumers say retailers can retain their loyalty during the cost of living crisis by sticking to their values.



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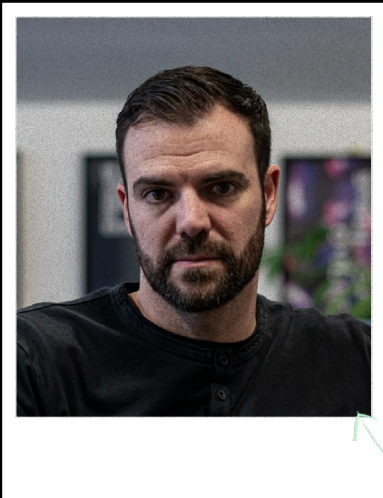


“Black Friday can often be an unsustainable shopping event with discounts enticing impulse purchases. However, people buy our period care items because they know they need them every single month, not on impulse. We want to encourage using our eco-options that are better for our bodies and our planet, over mainstream plastic-filled period products. That’s why we’ve decided to partake in Black Friday—not to profit from it, but to entice people to make the shift to live a more sustainable life long-term.”

Fiona Parfrey,
Co-founder of Riley

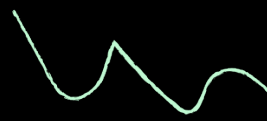
all

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“With conscious shopping on the rise, it’s more important than ever for businesses to showcase their brand values through every touchpoint. Taking action on climate must come first. Crafting compelling stories, alongside bespoke experiences that encourage consumers to engage in sustainable activity, will be essential in a climate-conscious world.”

James Trippett,
Founder and Managing Director at
By Association Only



Consumers are ready to change their behavior to benefit the climate

Consumers aren't waiting around for retailers when it comes to climate-conscious shopping. They're proactively changing their behaviors and seeking planet-positive options.

Bucking the trend seen elsewhere, the older a consumer is the more likely they are to choose one of the three top priorities to the right—eliminating unnecessary purchases altogether, finding products with recyclable or eco-friendly packaging or buying local—suggesting that while younger generations are more eager for sustainable options, they may not yet be matching that sentiment with action.

The top three ways global consumers are taking climate-conscious action



The circular economy

Sweden is leading a renting revolution, with **26%** of consumers prioritizing renting or buying second-hand goods, followed by the **Netherlands (24%)** and **New Zealand (22%)**

Part 2

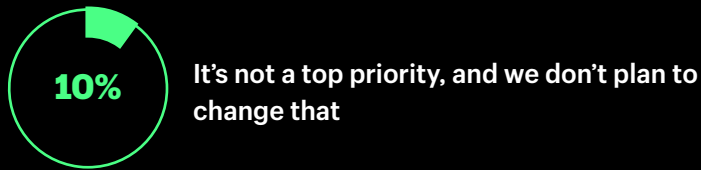
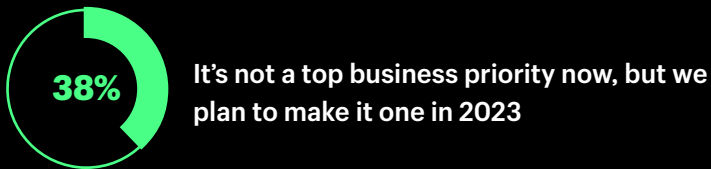
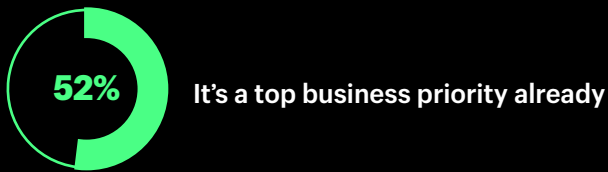


Businesses' biggest barrier to sustainability is cost, although they recognize consumer demand

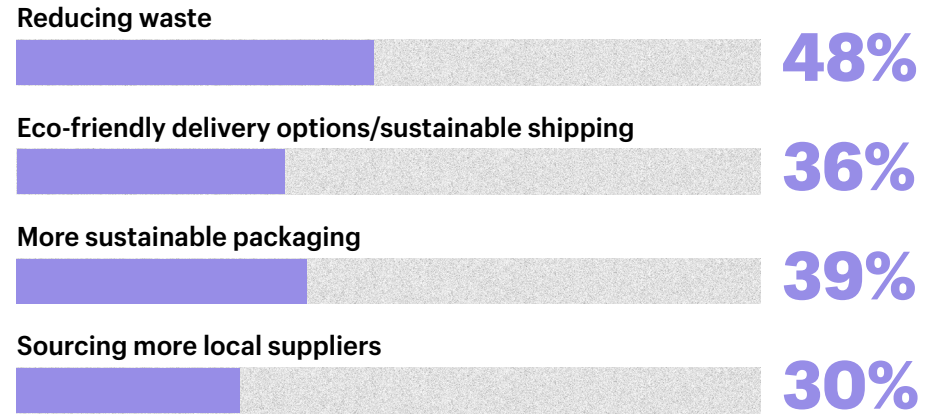
Retailers need to build their climate-conscious offerings

There's a gap right now between how organizations and consumers perceive sustainability. Overall, 63% of global consumers surveyed say they're willing to research and shop around to find the right sustainable product. But retailers aren't matching this in how they prioritize climate-conscious options.

Number of retailers ranking sustainability as a top priority



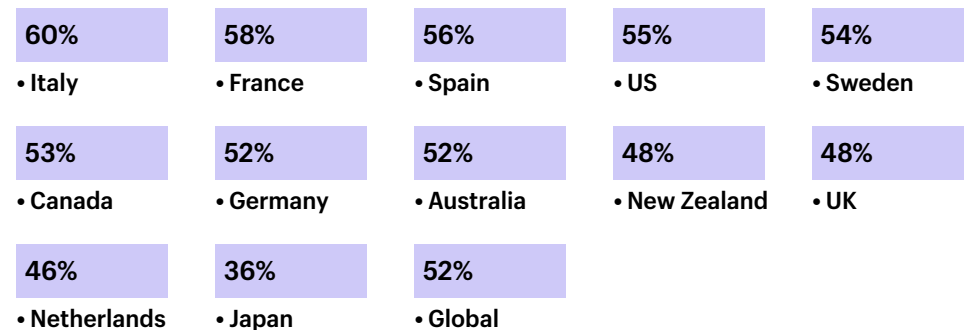
Retailers are planning to invest in these specific sustainable initiatives in the next 12 months



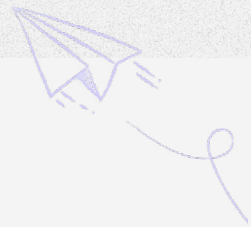
Some businesses plan to try to close that gap, with 4 in 10 (38%) intending to make sustainability a priority in 2023.

Across the globe, Italy (60%), France (58%), and Spain (56%) stand out with the greatest number of retailers already making sustainability a key focus.

Retailers currently ranking sustainability as a top priority by country



How Nadine Merabi is embracing a circular approach to fashion



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“This year we teamed up with HURR Collective, a rental service, on a mission to make fashion circular. The circular economy is restorative and regenerative, and aims to make buying no longer the default choice. Through reusable packaging, green dry cleaning and green shipping options, HURR offers the chance to rent items for an event, a weekend, or longer. It closes the circle and reduces the chance of items being bought and worn once.”

Georgie Williams,
Head of Marketing at Nadine Merabi

Cost remains the biggest barrier to sustainability, especially for larger businesses

Smaller businesses, which may have less complex supply chain constraints, are less likely to see cost as a barrier. Just 40% of businesses with 1 to 50 employees highlight it as a real obstacle, while a higher percentage (48%) of larger businesses (501-1,000 employees) do likewise.

These smaller organizations should embrace their agility, and use the opportunity to implement sustainable business practices from the start—not wait until they scale up, when a transition could end up costing more.

Macroeconomic conditions aren't deterring retailers from climate-consciousness

Despite economic uncertainty across the globe, retailers are committed to sustainable initiatives.

With disruption comes opportunity. In contrast to their concerns over the costs of sustainability efforts, larger retailers with 501 to 1,000 staff are the most likely (46%) to see the current economic landscape as a chance to accelerate sustainability programs.

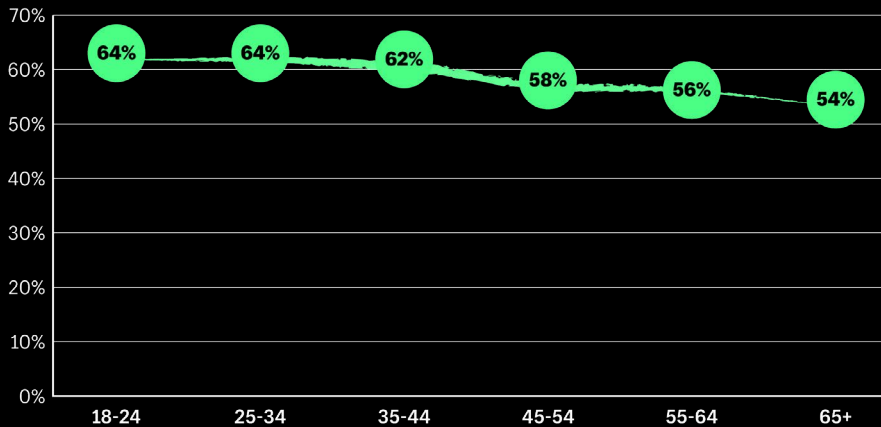
How is the macroeconomic environment impacting your company's sustainability efforts?



This may be because climate-consciousness doesn't always have to be expensive. Not only are climate-conscious retailers likely to receive increased consumer interest, they can also limit the impact on their bottom line in other ways.

Longer delivery times are a prime example of where lower costs and sustainability could go hand-in-hand. While 26% of businesses are concerned about meeting delivery expectations over the Black Friday Cyber Monday sales season, 60% of consumers are willing to wait longer for products to arrive from sustainable brands.

Younger consumers are more willing to wait longer for deliveries when shopping sustainably

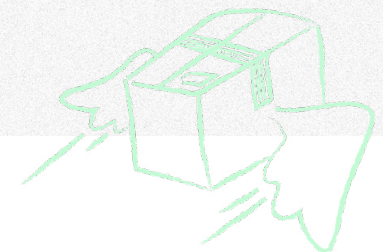


Spanish consumers lead the world in their openness to sustainable delivery

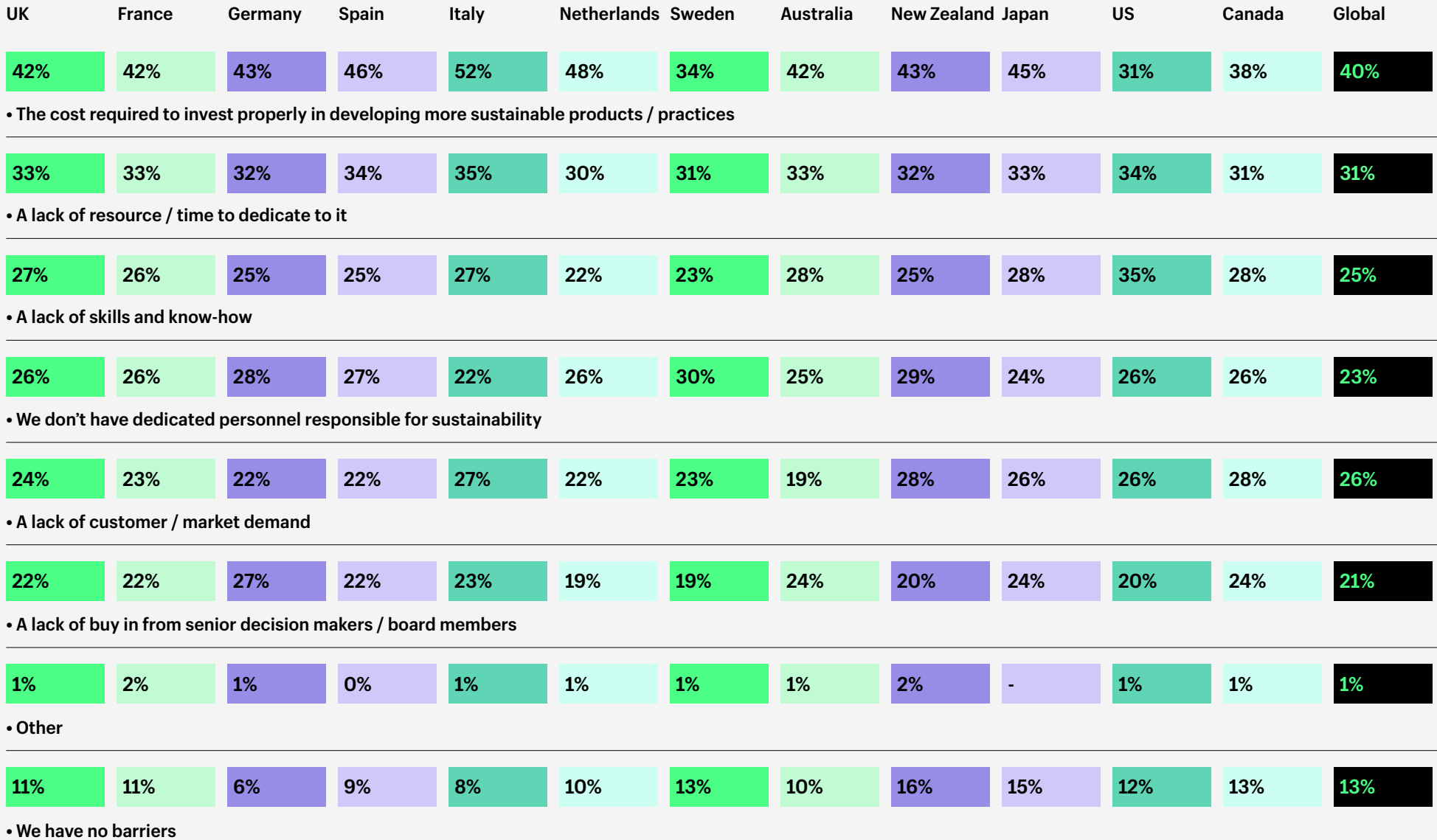


71%

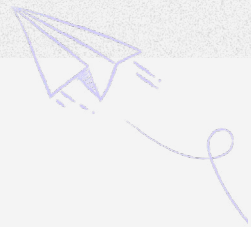
are willing to wait longer if it means shopping from a climate-conscious brand



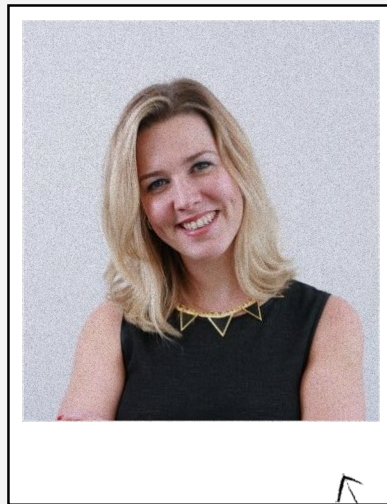
What are the main barriers to your business developing more sustainable products and practices?



SHOPIFY TOP TIP



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“Every country in mainland Europe, aside from the Netherlands, registered 60% and higher for consumers shopping sustainably—well above the global average of 54%.

Merchants must take heed of this growing desire if they are to unlock one of the world’s biggest markets. These consumers are clear: they want climate-conscious options from retailers, and they’re happy to pay to get them. Whether it’s sustainable packaging or longer (but less carbon intensive) delivery, the research here shows consumers will embrace brands that put the planet first. This is not a fad.”

Deann Evans,
Director of EMEA Expansion & Partnerships, Shopify

Part 3

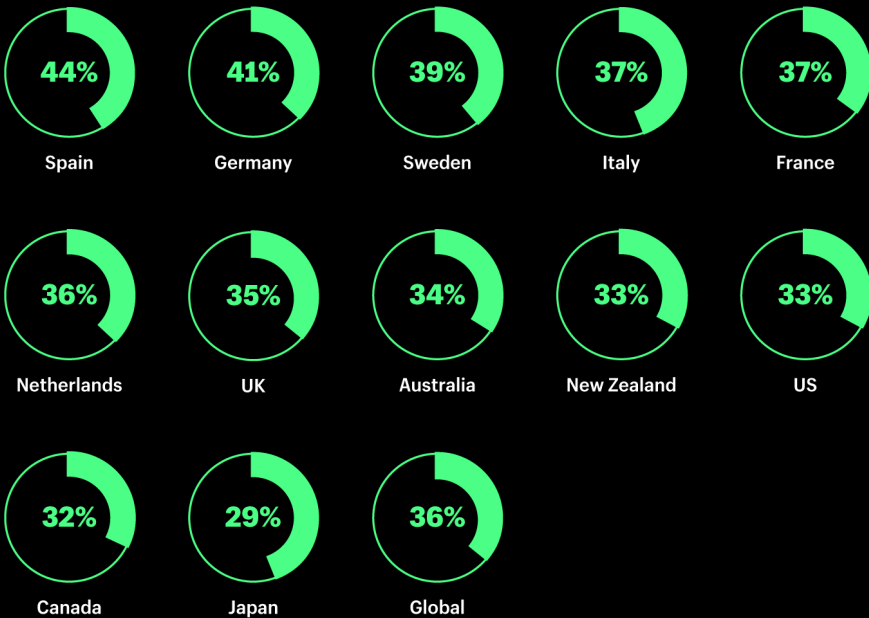


Small and medium businesses are finding new ways to build sustainable options for their customers

Retailers are getting creative in their climate-conscious efforts

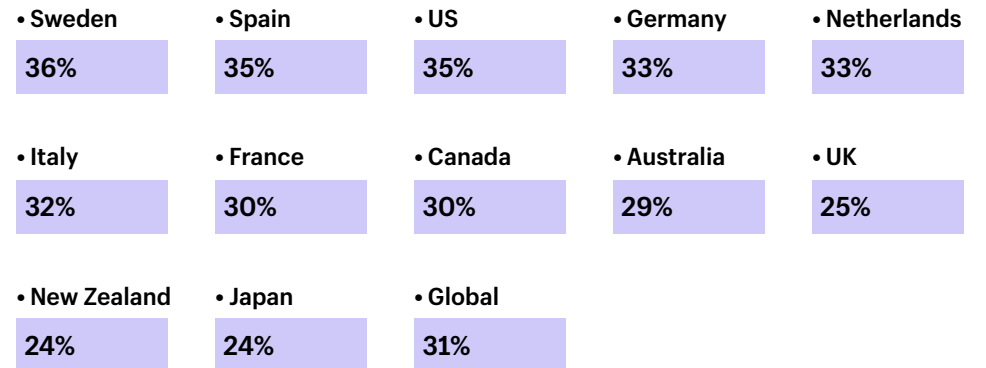
There's no set route to sustainability. All across the globe, retailers in different industries are trying varied approaches, from in-store recycling drop-off options, to offering carbon removal or donating proceeds of sales to eco-non-profits.

Number of retailers offering in-store recycling

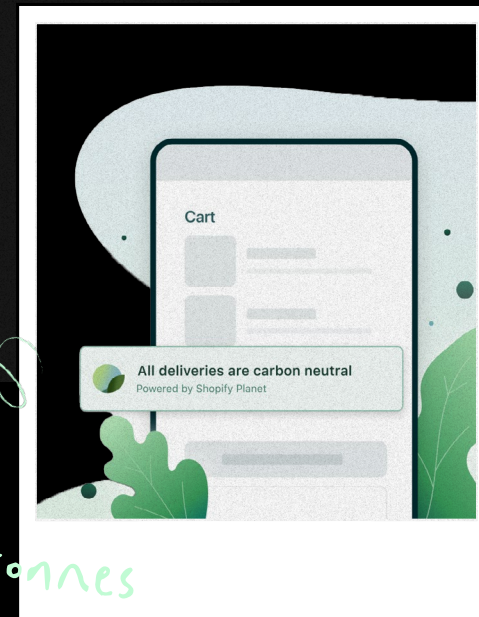


Accelerating initiatives like these will be key to bringing options in line with consumer demand for climate-conscious shopping. For example, almost half (45%) of consumers are already willing to pay an extra fee if it reduces their carbon footprint.

Number of retailers offering sustainability programs (e.g. % of sales goes to non-profit)

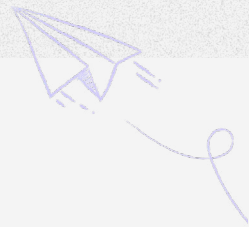


Since launching in June 2022, Shopify merchants have used the [Planet app](#), which enables carbon-neutral shipping and funds technologies actively removing carbon from the atmosphere, to neutralize shipping emissions on more than six million orders with high-quality carbon removal. That's a total of more than 5,000 tonnes of carbon.

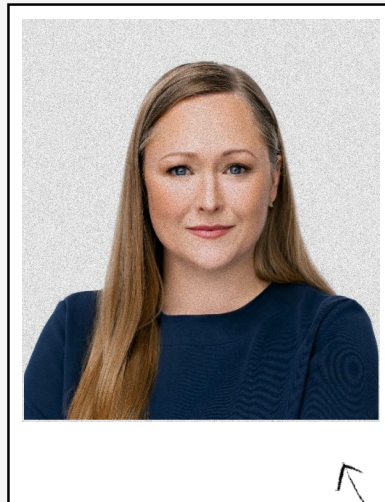


5,000 tonnes
of carbon

SHOPIFY TOP TIP



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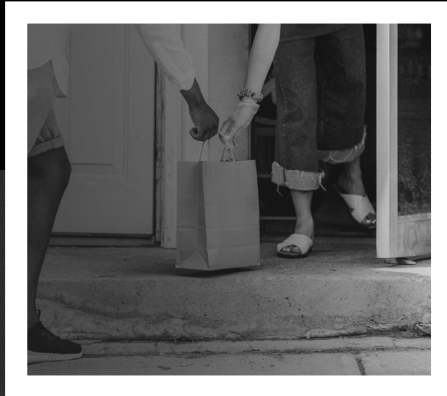
“These stats are proof that shoppers are paying attention and it’s in everyone’s best interest to implement sustainable practices. We hope more businesses will join us in accelerating innovative carbon removal technologies through Shopify’s Planet app, while also proving to their customers that they value sustainability.”

Stacy Kauk,
Head of Sustainability, Shopify

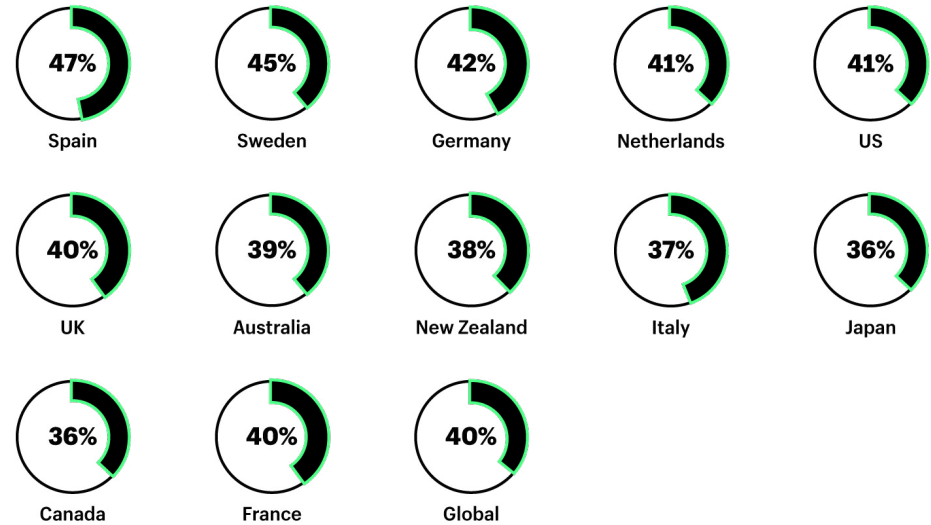
Consumers will make sacrifices for sustainability

With the climate crisis top-of-mind, shoppers are making sacrifices and prepared to pay more to support climate-conscious shopping.

From waiting longer for a delivery or spending more time researching to find the most climate-conscious product possible, consumers hold themselves—and retailers—to increasingly high sustainability standards.

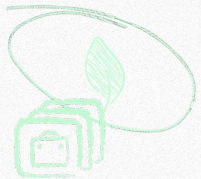


Number of consumers in each country willing to pay more when shopping from sustainable brands



Spanish consumers top the charts in sustainable sacrifices

Of all countries surveyed, Spanish consumers are most likely to be **willing to make every type of sustainable sacrifice**, from waiting longer to paying more for products.



“

“Our customers understand that if they want sustainable clothing that lasts, they may pay a little more in the short term for long-term benefit. People understand that current fast fashion practices are unsustainable, so they trust us even when budgets are tight.”

Lutz Schwenke,
Founder and CEO of TwoThirds

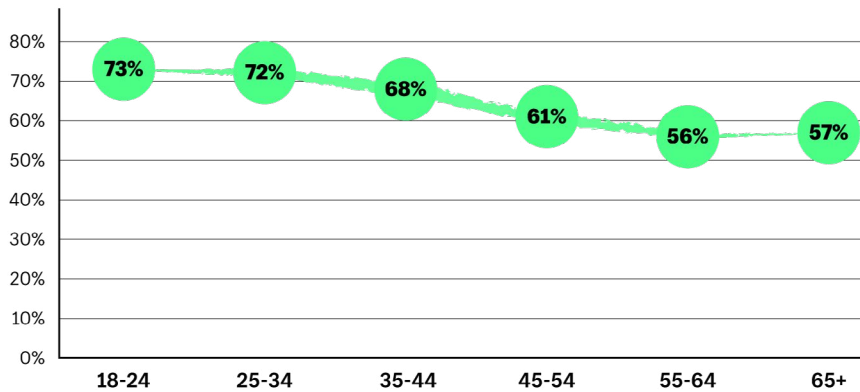


Sustainability drives a word-of-mouth marketing boost

Consumers talk. That means retailers offering planet-friendly products can expect significant uplifts in organic recommendations—around two-thirds (63%) of consumers are more likely to recommend an item if it’s sustainable. This rises as high as 73% among Gen Z respondents.

As such, retailers should consider the role sustainability can play in their overall marketing strategies—particularly since nearly half (42%) of global retailers say reaching consumers organically is more important than ever.

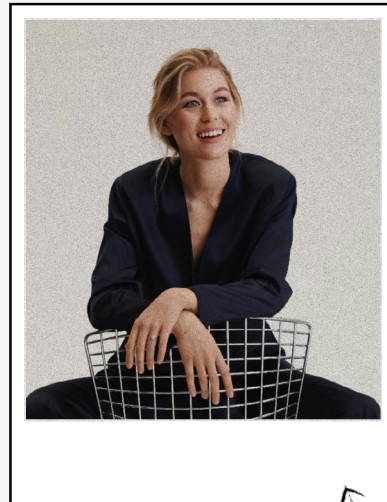
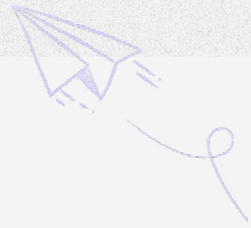
Number of consumers who are more likely to recommend a sustainable product or brand when shopping



Number of retailers who say organic marketing via word-of-mouth or social media is more important than ever



Under Your Skin is at the forefront of Swedish sustainability



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“The fact that more than half of all Swedes prioritize sustainability over fast consumption makes us at Under Your Skin very happy. We’ve reached a time where companies have to change to produce sustainably because the consumer demands it. Even during Christmas shopping, it’s possible to shop thoughtfully and sustainably, which we advocate. When the demand for sustainable products increases, the prices will also be able to be kept down in the long term.”

Lovisa Hahn Falkman,
CEO of Under Your Skin

Top takeaways for conscious shopping from Stacy Kauk, Head of Sustainability at Shopify



1

Today's consumers are committed to climate-conscious shopping: even during sales, they look for brands with strong values over huge discounts. Make your climate-conscious approach and mission clear to shoppers.

3

Cost remains a barrier to sustainability for even the biggest businesses. Start-ups only beginning to scale up shouldn't wait to implement initiatives; it won't get any easier as you grow. Established businesses will need to invest in climate-conscious initiatives if they hope to capture today's younger shoppers.

2

Reducing emissions is an important component of combating climate change, but even if we stopped all emissions right now, there's still too much carbon in our atmosphere. Businesses must make the case for purchasing carbon removal now, by supporting emerging climate technologies.

4

Customers are more likely to make word-of-mouth recommendations about climate-conscious brands. Merchants should cultivate their communities to encourage personal recommendations.

About Shopify's Sustainability Initiatives

Commerce can only thrive over the long-term if our planet thrives, too, which is why Shopify is determined to reverse climate change. Shopify is one of the largest corporate purchasers of long-term carbon removal in the world and has committed \$32M+ to 22 entrepreneurial, tech-driven companies, including Running Tide, Remora, Climeworks, and more, through **Shopify's Sustainability Fund**.

Shopify's Planet app is designed to help businesses achieve carbon-neutral shipping for all orders, affordably and easily, while funding technologies that actively remove carbon from the atmosphere.

Shopify is a founding member of **Frontier**, a \$925M advance market commitment to accelerate carbon removal over the next nine years.



Methodology

In October 2022, Sapio Research conducted quantitative research on behalf of Shopify to understand how people plan to shop during the holiday season, and on their views on sustainable commerce.

Shopify and Sapio Research co-designed the questionnaire and surveyed the behaviors and attitudes of 24,009 consumers across UK, France, Germany, Spain, Italy, Netherlands, Sweden, Australia, New Zealand, Japan, US and Canada. They also surveyed 9,012 business executives across the same countries.

Respondents completed 18 questions; the sample spanned an age range of 18 to 65+, across 16 industries, and included company sizes from 1 to 1,000 employees, and all levels of seniority, from founders and C-level executives to administrative personnel.



About Shopify

Shopify is a leading provider of essential internet infrastructure for commerce, offering trusted tools to start, grow, market, and manage a retail business of any size. Shopify makes commerce better for everyone with a platform and services that are engineered for reliability, while delivering a better shopping experience for consumers everywhere. Proudly founded in Ottawa, Shopify powers millions of businesses in more than 175 countries and is trusted by brands such as Allbirds, Gymshark, Heinz, Tupperware, FTD, Netflix, FIGS, and many more. For more information, visit www.shopify.com.