

A hand holding a small globe of the Earth. The globe shows a mix of green land, blue water, and white clouds. A rainbow is visible in the background. The hand is positioned at the bottom of the frame, with fingers gently cradling the globe. The background is a soft-focus image of a person's face and shoulder, suggesting a human connection to the planet.

IMPACT

FROM INSIGHT TO INFLUENCE

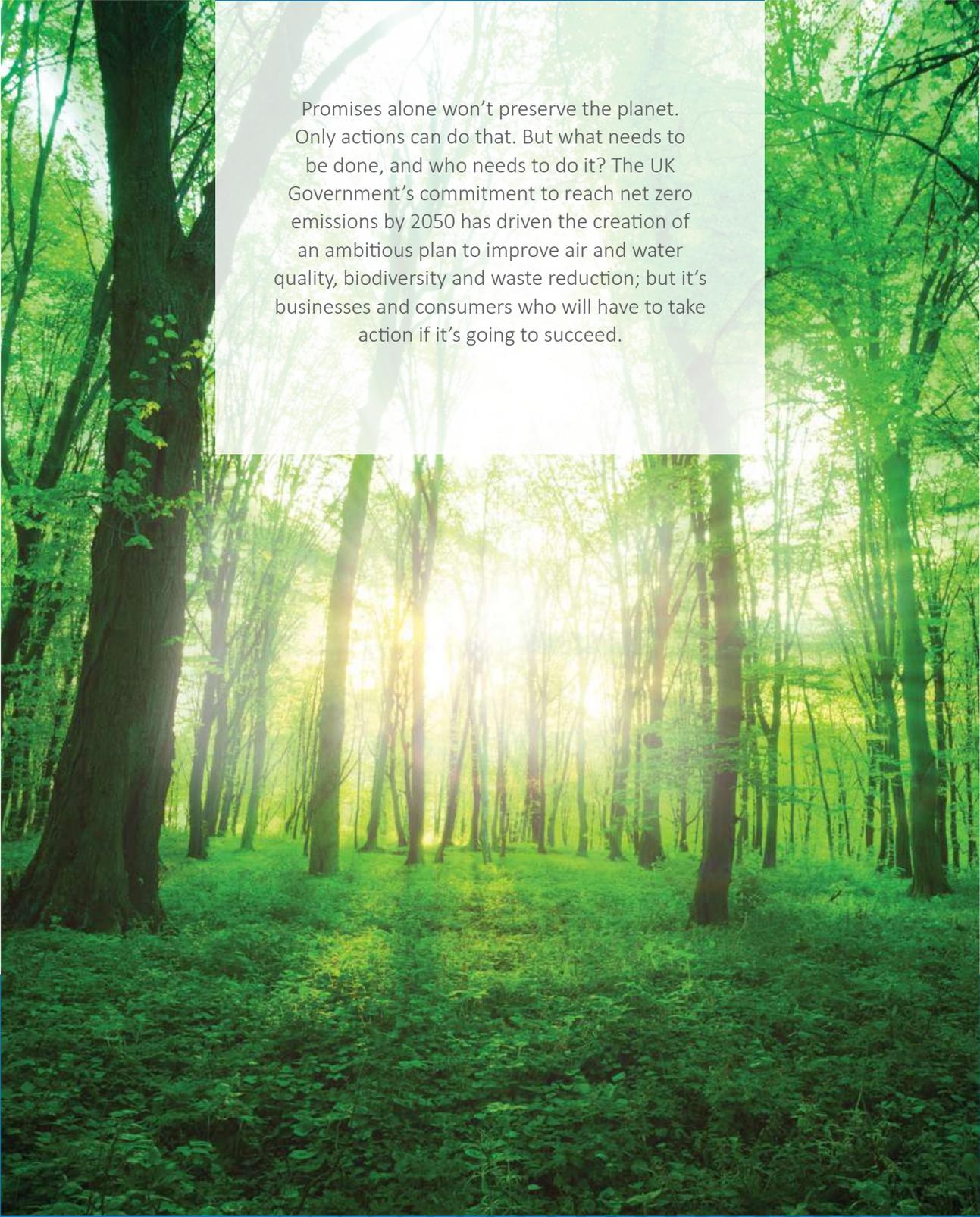
THE GREAT GREEN SUSTAINABILITY STUDY

What Consumers Really Think (And Do)

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In partnership with
dynata



Promises alone won't preserve the planet. Only actions can do that. But what needs to be done, and who needs to do it? The UK Government's commitment to reach net zero emissions by 2050 has driven the creation of an ambitious plan to improve air and water quality, biodiversity and waste reduction; but it's businesses and consumers who will have to take action if it's going to succeed.

ENVIRONMENT HITTING THE HEADLINES ALMOST DAILY

With the environment hitting the headlines almost daily, consumer awareness of these issues is rocketing, and many everyday brands and retailers are grabbing every opportunity to reinforce their sustainability credentials with their customers by talking about what they're doing to minimise their environmental impact. To pick out just a few: Coca-Cola have recently launched a marketing campaign focusing on how their plastic bottles can be recycled; Co-op have brought in compostable carrier bags; and Carlsberg have introduced Snap Packs to negate the need for plastic rings on can packs.

But are these initiatives really making a difference to how brands are perceived? And are consumers going to change their behaviours as a result of these initiatives or is there something else that will be more influential? Impact's Consumer team wanted to find out. So we conducted a self-funded research study to explore:

- What these consumers are doing now and what they expect to do differently in the future in terms of being eco-friendly.
- What people think about how some of the biggest FMCG brands and retailers rate on 'Corporate Social Responsibility' (CSR), in which being environmentally friendly is a key element.

Our research consisted of two phases (two qualitative focus groups, and an online quantitative survey with 2,006 respondents), and was conducted in the UK.

IMPACT
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OUR RESULTS

The results were extremely revealing; here are 10 key insights we've drawn from our findings.

INSIGHT 1: CONSUMERS ONLY HAVE BASIC KNOWLEDGE ABOUT ENVIRONMENTAL ISSUES

Consumers' generally have quite high levels of knowledge of basic terminology relating to environmental issues, frequently mentioning high-level themes such as climate change, plastics, and recycling when prompted in the focus groups.

However, more complex environmental terminology was unfamiliar to most, and awareness of recently-introduced environmental schemes and government regulations was low, with many consumers lacking in-depth knowledge or detailed understanding.

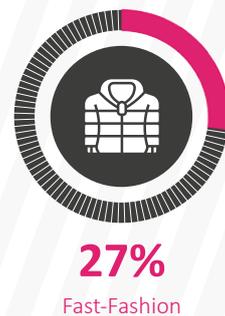
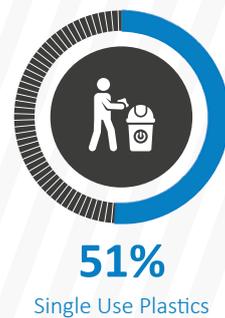
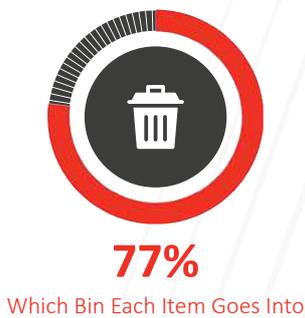
For example, only a quarter to a half of all consumers felt that they know a lot or a fair amount about what the terms 'Single-use plastics', 'Carbon footprint', 'Microplastics', and 'Fast-fashion', actually mean.

“Words that come to mind when I say the environment.”
Interviewer

“I’ve gone with climate change.”
(Male, 45)

“Plastic.”
(Male, 26)

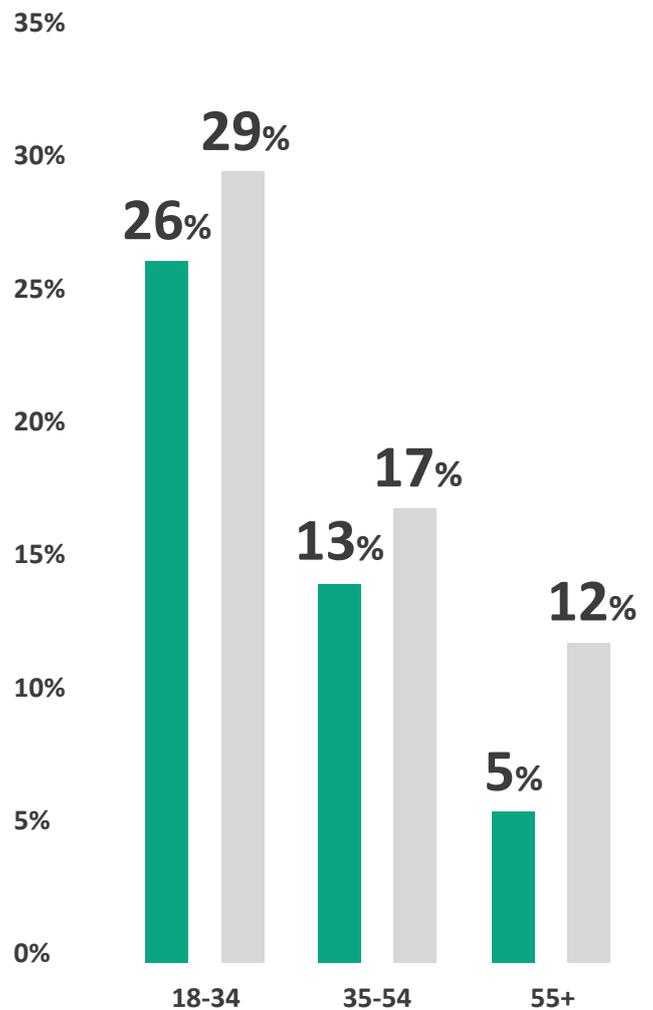
Knowledge Of Different Environmental Terms (% Know A Lot Or A Fair Amount)





Similarly, very few consumers know much about either the UK Government’s ‘Road to Zero’ strategy, outlining the steps needed to eliminate road transport, which it launched in 2018, or the 2016 ‘Paris Agreement’ which countries across the world adopted as a strategy to reduce greenhouse gases. Just 18% think that they know a lot or a fair amount about the ‘Paris Agreement’ and only 13% believe they know a lot or a fair amount about ‘Road to Zero’. Knowledge is highest among those aged 18-34.

Knowledge Of Road To Zero And The Paris Agreement (% Know A Lot Or A Fair Amount)



■ Road to Zero
 ■ Paris Agreement

INSIGHT 2: CONSUMERS ARE GETTING INFORMATION THROUGH A VARIETY OF CHANNELS

Consumers are learning about the environment from all types of sources, including personal methods such as social media and word of mouth; digital sources such as TV documentaries and online, and even print media such as leaflets or newspapers. With the environment being such a hot topic reported regularly in the news and even being debated in Parliament, consumers can't avoid hearing about it and gain their knowledge from 3-4 sources on average.

**“How have you come across this information?
How do you know?”**

Interviewer

“It's talked about a lot. I mean, I don't watch television or the news particularly but you catch a headline on the newspaper as you walk past or you hear people talking and I listen to radio news and these things are coming up all the time.”

(Female, 54)

TV is the most prominent source of knowledge. Online has a similar educational impact to print media:

Where Consumers Get Their Information



70%

Television



49%

Online

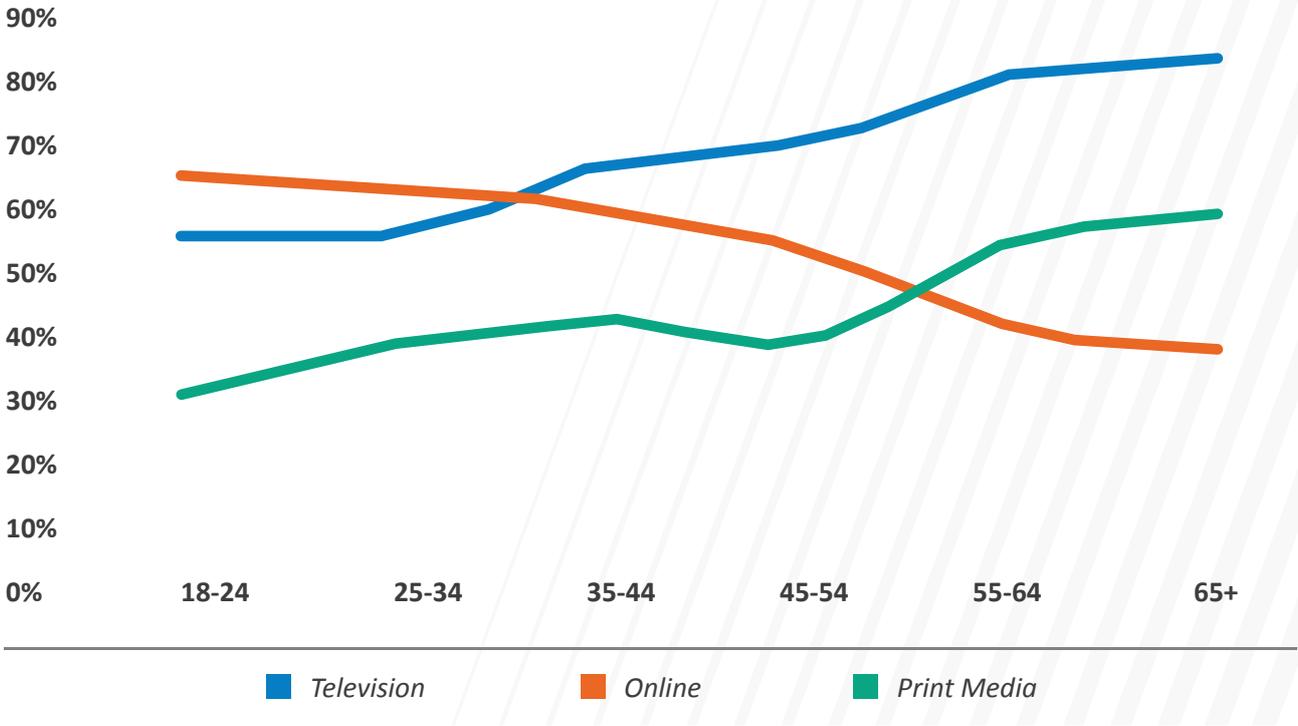


47%

Print Media

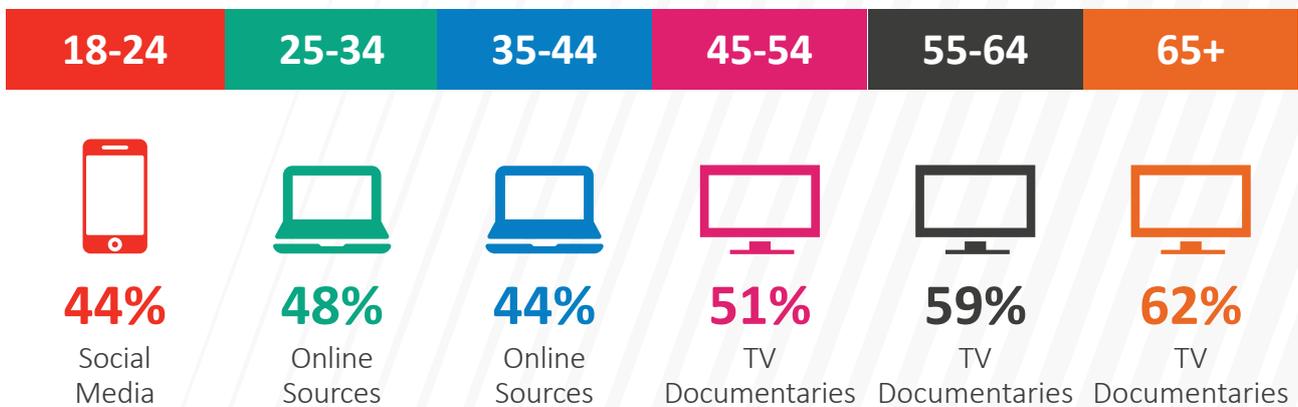
As expected, there are differences by age group, with older people learning more from TV and those aged 18-34 learning most online:

Where Consumers Get Their Information By Age Group



Looking into this in more detail, TV documentaries are the top individual source of information, probably as a result of David Attenborough’s work, with TV news bulletins, online sources, and newspapers the next key channels. However, once again, different generations get their information from different sources, as shown below:

Top Source Of Information For Different Age Groups



What this means in practice is that brands will need to plan carefully any communications strategies which focus on their ‘eco-friendliness’ to ensure that they reach their target audiences. And when brands want to reach a broad consumer audience, they will need to use multiple channels.

INSIGHT 3: BEHAVIOUR CHANGE IS HAPPENING, BUT IT'S GOING TO BE A LONG PROCESS

The growth in coverage and awareness of the environment and environmental issues is driving and motivating consumers to behave in greener and more environmentally friendly ways.

But some behaviours are adopted more often and more easily, particularly when government or council regulations require or facilitate them. The top five changes in behaviour in the last year are all both simple and accessible to consumers:

“Why are you doing this?”

Interviewer

“Because every little thing makes a difference.”

(Female, 25)

“And also, it’s not just for ourselves, it’s for the future of the planet and for our children and the next generation.”

(Male, 25)

Changing Behaviours In The Last 12 Months - Top 5



While these changes in behaviour are definitely 'greener', it's worth noting that changes are not necessarily made because consumers *want* to be more environmentally-friendly. On occasions it is to save money, to be healthier, or because it's more convenient:

Top 3 Reasons For Behaviours Changing



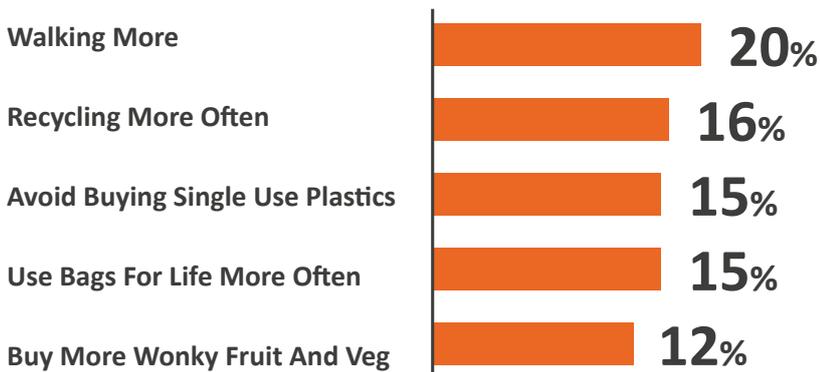
Changes in behaviour that require a larger financial or time investment are less likely to have been made by consumers in the last 12-months. These include an increase in the use of solar panels (5%), and using a hybrid car (4%) or electric car more often (2%). This demonstrates that many consumers are only willing to change their behaviour if doing so is affordable and doesn't inconvenience them.

"You can go and buy things that are environmentally packaged, and they cost double the price, or you can buy things that you can afford which are half the price, but then you try and do the best with recycling the packaging."

(Female, 35)

Looking forwards, the main changes that consumers plan to make in the next year are once again focused on actions that are small and easy-to-make:

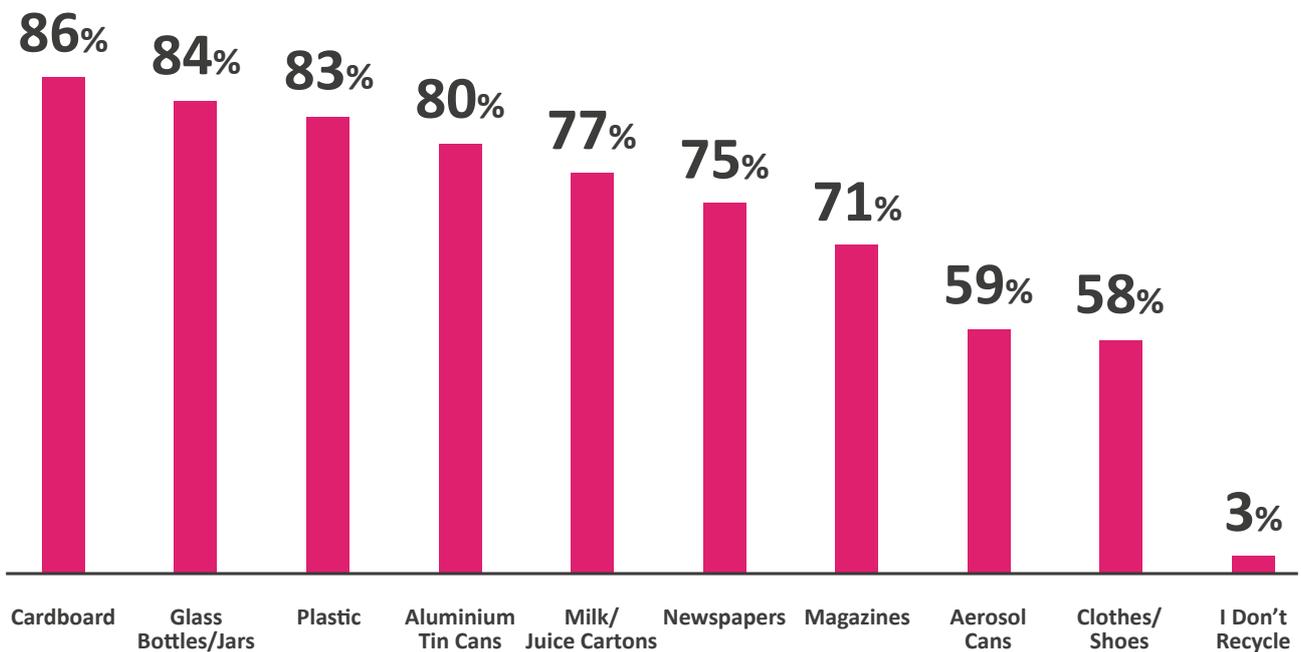
Top 5 Consumer Behaviours In The Next 12 Months



INSIGHT 4: INCONSISTENT POLICIES MAKE RECYCLING A CHALLENGE FOR CONSUMERS

Recycling is one of the top behaviours that consumers have adopted to act in a more environmental way, with 88% of consumers agreeing that they make a conscious effort to recycle, and almost everyone claiming they do some recycling at home. The main items that they are currently recycling are cardboard, glass, and plastic, with clothes and aerosols less frequently recycled.

What Are Consumers Recycling At Home?



But while recycling is perceived as a simple action that is easy for consumers to take, confusion reigns when it comes to what they can and can't recycle, particularly in terms of plastics. Different councils have different policies, and nearly a third of the UK population (32%) claim to know a little or nothing about what they are and aren't allowed to put in their recycling bin.

“Because they started off saying put everything in the bin, and now because there are different costs of recycling different things, they are saying you can't recycle back plastic because it's too expensive.”

(Male, 29)

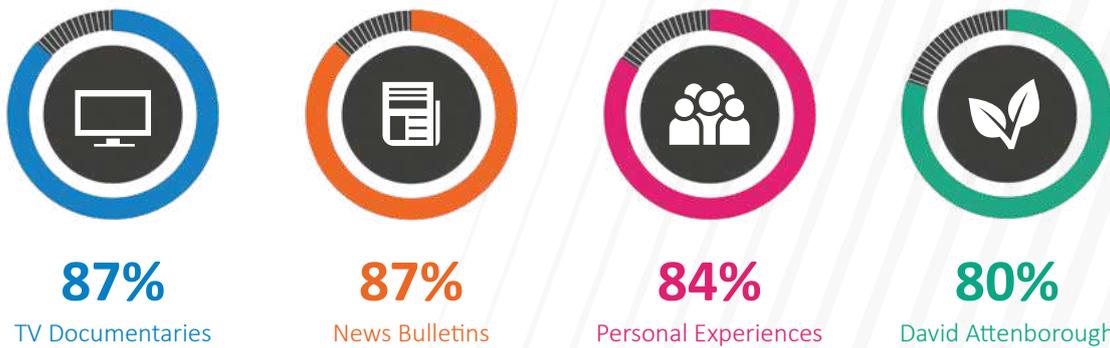
Greater consistency is needed across councils to establish a more unified recycling approach, and it's imperative that the government and local councils educate people to help them feel more confident in their ability and understanding of recycling so that they can 'be green' correctly.

There is also room for brands to work with local councils and/ or the government to ensure their packaging is in line with council recycling policies across the country, ensuring consistency at a nationwide level.

INSIGHT 5: INFLUENCERS WORK

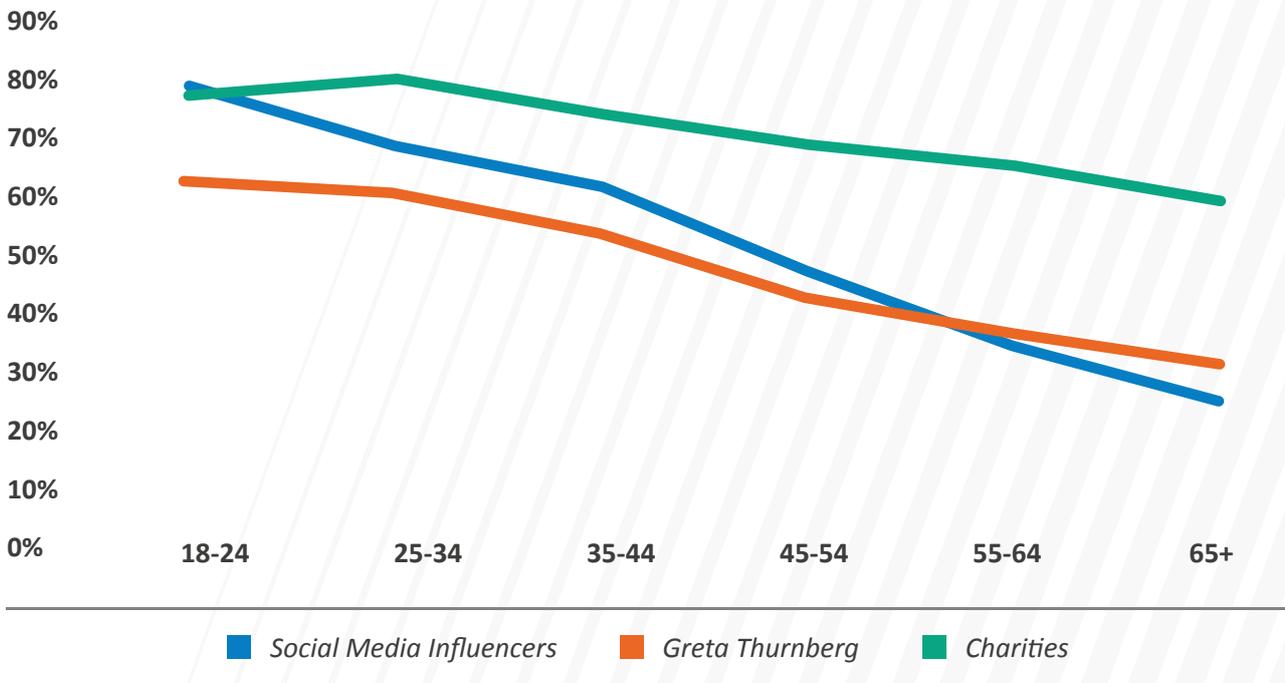
It's widely accepted that a lot more needs to be done to halt or even just reduce the damage being done to the environment. So it's encouraging that a large proportion of UK consumers both recognise they could do more (71%) and want to do more (75%) to help the environment. But what will influence consumers to make the changes that are so badly needed? We found that influencers can take the form of documentaries (with David Attenborough featuring as a top influencer), the news, and consumers' own personal experiences.

What Influences Consumers? (% who are at least a little influenced)



Although these are highly influential across all age groups, there are some interesting differences lower down the list:

What Influences Consumers By Age Group? (% who are at least a little influenced)



These differences predominantly lie with 18-24 year olds, whose profile of influencers are very different to 55+. Although 16-year old Greta Thunberg is now extremely prominent, she is much more influential amongst the 18-24 cohort than with older segments of the population. However, even more than Greta, charities and social media influencers really do have an impact, and could make a difference in changing these younger consumers' attitudes and behaviours.



INSIGHT 6: IT'S NOT JUST DOWN TO CONSUMERS

Although individual consumers' behaviour can certainly help the environment, and three-quarters of consumers want to do more, even more feel that the national and local government (83%) and companies such as product manufacturers and retailers need to do more (86%), if large-scale progress is to be made.

Brands and retailers are increasingly doing their bit to meet consumers' changing needs and expectations in this area. And with new players entering the market who are primarily focusing on communicating their environmental agendas, ethics and work within the community, the more well-established brands and retailers now need to keep up with the times and avoid losing out to these new players.

INSIGHT 7: THE BIGGEST BRANDS AREN'T SEEN AS GREEN

When asked to name brands that are working to halt climate change and are good for the environment, most consumers initially struggled. Those who are more engaged, knowledgeable and concerned about the environment, however, cited brands whose identity is centred on their environmental credentials, such as Ecover, Ecotricity and Ecosia. Using 'eco' in their brand name to make their market positioning crystal clear.

When given more time to name environmentally-conscious brands, consumers mentioned Morrisons, Waitrose and Boots. What's particularly noticeable here is that these are all retail brands; FMCG brands didn't feature, suggesting that products face more of a challenge in being perceived as having good CSR credentials.

INSIGHT 8: CSR IS A DIFFERENTIATOR

Our analysis showed that while value for money, price, and quality are extremely important for consumers when deciding where to shop and which brands to buy, CSR also ranks quite highly too, and so it should be considered as a key factor for differentiation within a category or sector. Within the wider concept of CSR, we found that being environmentally-friendly is the most important factor for these retailer and product selection decisions.

Importance of each CSR aspect when choosing retailers*:



Importance of each CSR aspect when purchasing a product*:

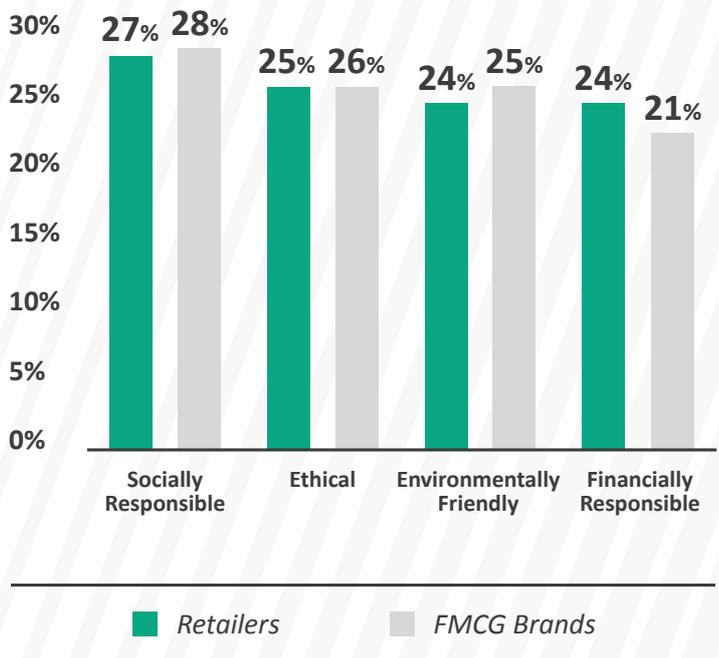


*These questions were asked in the context of a category the respondent regularly shopped in.

Sustainability – and CSR – is about more than just managing environmental impact, of course, and when it came to drivers of brand trust, our research found that although social responsibility is the top driver, its level of importance is similar to other CSR aspects, suggesting that a focus on all areas would be beneficial.

This reinforces the critical importance for brands of communicating their CSR activity to consumers. If they can do this effectively, they can improve levels of trust and likelihood to purchase, especially in competitive markets where brands generally rely on hard-to-differentiate quality and value for money messages.

Drivers of Trust



INSIGHT 9: RETAILERS SCORE HIGHER FOR CSR THAN FMCG BRANDS, BUT BOTH COULD DO BETTER

In our survey we gathered consumers views about 60 different brands – 30 FMCG brands and 30 retailers – measuring how they scored them for being socially responsible, environmentally friendly, ethical, and financially responsible. By weighting the results based on the importance of each of these four aspects in product/retailer decisions, we were able to calculate an overall CSR score out of 100. The higher the CSR score, the better a brand's CSR credentials are perceived. As a group, the retailers came out better on our CSR scale than the FMCG brands, scoring an average of 42 against the FMCG brands' average score of 35. This may be because retailers have additional opportunities to communicate their eco-credentials during in-store and online shopping experiences.

What can retailers do?

Even though retailers are doing better, there's clearly still a lot more they can do, both in terms of introduced initiatives and – just as importantly – communicating them; many retailers have taken significant action but their customers don't realise it. When customers are aware of initiatives, though, levels of positivity towards brands could increase significantly.

% Would Feel More Positive About A Brand Doing The Following Initiatives:



85%

Give Customers Money Back From Returning Plastic, Glass Bottles And Cans To Supermarkets



82%

Donate Food Waste To Charities



77%

Get Rid Of All Plastic Bags

Looking at different types of retailers, online-only and fast food retailers had the lowest CSR scores, while beauty, cosmetic and pharmacy stores scored the highest.

Average Retailer CSR Scores

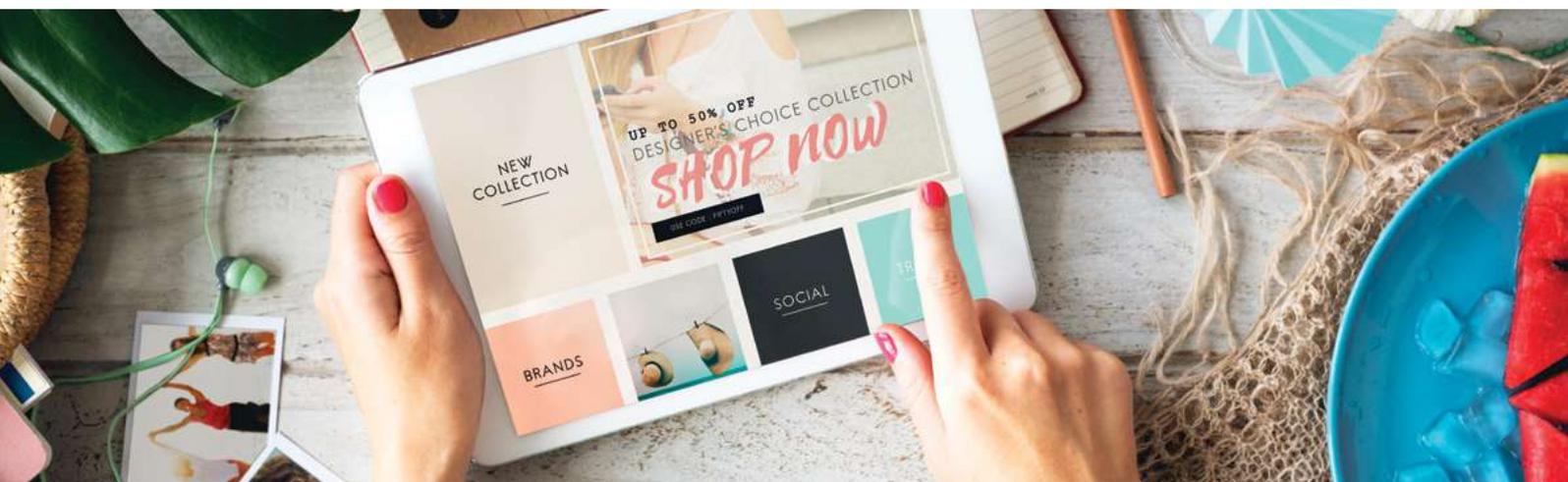


Online-only retailers scored particularly poorly because they were weakly associated with eco-friendliness, work in the community and the sources of the products they sell. In contrast, beauty, cosmetic and pharmacy retailers did well because of their strong associations with the source of their products and caring about the environment. However, even this strong performing retail sector has the potential to improve further as proven by their lower than average score for helping the community.

How Consumers Describe Retailers



	Beauty/Pharmacy Retailers	Online-only Retailers	Average Retailer Score
Is doing what they can to reduce use of plastics	18%	7%	16%
Helps the community	11%	6%	14%
Genuinely cares about the environment	21%	5%	11%
Cares about where their products come from	21%	6%	14%
Stocks only ethically sourced products	19%	4%	9%



RETAILERS: TOP 5

1st



The Body Shop is the leader of the pack with a CSR score of 67. Since opened, it has put CSR at the forefront of its brand and this has been recognised by consumers who regard it as the most ethical and environmentally friendly retailer. The Body Shop has implemented different strategies and set targets to increase their CSR over the years. In 2016 it launched its 'Enrich Not Exploit' mission to meet a range of goals designed to improve and help people, their products, and the planet by 2020.

Consumers' top associations with The Body Shop:

- Cares about where their products come from
- Stocks only ethically sourced products
- Has a clear environmental agenda

The Body Shop is also the retailer associated least with focusing purely on making a profit.

CSR
SCORE
67



2nd

LUSH FRESH
HANDMADE
COSMETICS

Although it ranked second, Lush's CSR score of 57 is a whole 10 points lower than The Body Shop's although it operates in a similar market and is also committed to becoming increasingly sustainable, ethical and environmentally friendly, with a focus on getting both staff and customers involved. It has reduced the amount of packaging within stores by establishing its no-packaging 'Naked free range' which makes up about a third of its SKUs. It also encourages customers to return hard-to-recycle packaging – such as black pots that contained lotions or face masks – for reuse.

Consumers' top associations with Lush are:

- Genuinely cares about the environment
- Cares about where their products come from
- Stocks only ethically sourced products

3rd

In third place, with a CSR score of 54, Co-op is particularly identified by consumers as a retailer with high levels of social responsibility. It is continuously trying to enhance its CSR, adopting new methods to help them become more sustainable. Recently Co-op has implemented some clever changes to its packaging, for example, making the colour of milk bottle lids paler so they are easier for recycling machines to sort, issuing compostable carrier bags so they can be used in food waste bins, and making all of its own-brand packaging 100% recyclable by the summer of 2020. It also works with FareShare to help tackle food waste by giving remaining food to frontline charities and those in need.

Consumers' top associations with Co-op:

- Helps in the community
- Has a clear environmental agenda
- Supports charities



4th

Also scoring 54, IKEA's CSR efforts focus on using sustainable sources of energy, removing all single-use plastics in its product range, supporting local communities, and empowering workers. IKEA is also committed to making sustainable living easier by designing products with sustainability in mind, and launched its 'Lagom' project in 2019 to encourage consumers to reuse items they already own and transform them into something new.

Consumers' top associations with IKEA:

- Cares about where their products come from
- Cares about their customers
- Has a clear environmental agenda

5th

John Lewis scored 52 on our CSR scale. It has been setting goals and implementing new strategies to reduce their environmental impact and help tackle climate change, especially to cut down on waste, and has a target to make all of its own-branded packaging recyclable, reusable, or compostable by 2023. John Lewis has also piloted a buyback scheme in October 2019 allowing consumers to return any unwanted own brand clothing back to the store in exchange for store vouchers.

Consumers' top associations with John Lewis:

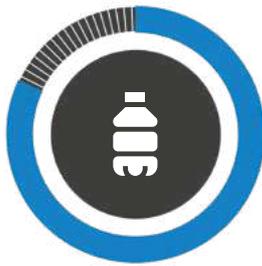
- Stocks high quality products
- Cares about their staff
- Cares about their customers



WHAT CAN FMCG BRANDS DO?

Compared with retailers, FMCG brands have an even longer way to go to be perceived as sustainable. Our research revealed how they can achieve this (so long as they remember to tell their consumers about what they are doing, of course). Consumers would feel more positive about companies who:

% Would Feel More Positive About A Brand Doing The Following Initiatives:



82%

Use 100% Recyclable Plastic Bottles



79%

Use 100% renewable energy

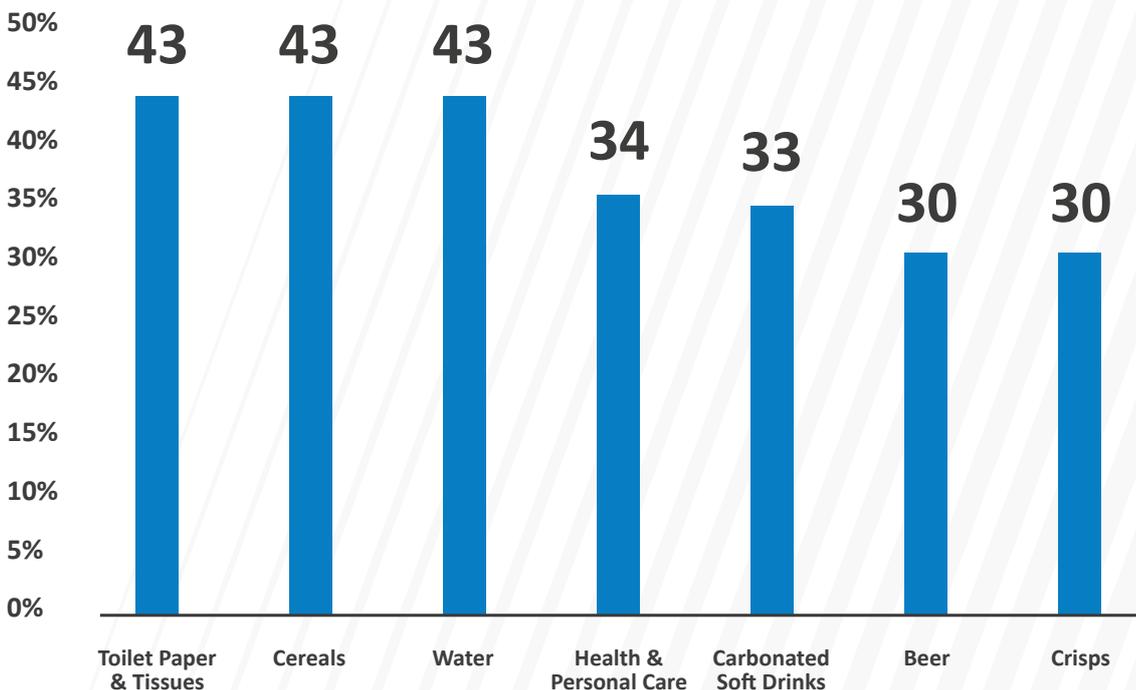


73%

Remove Plastic Rings From Packs Of Beer

By adopting these and other new initiatives, FMCG companies – and soft drinks and alcohol brands in particular – could reduce their environmental impact and gain a positive reaction from consumers. Looking at individual categories within FMCG, crisps and beer score the lowest for CSR, while toilet paper/tissues, cereals, and water score the highest.

Average FMCG Brands CSR Scores



The crisps category scores the lowest because of a general perception around the packaging used being excessive and/or not recyclable. In contrast, toilet paper brands are more likely to have a clear environmental agenda, and a focus on using ethically sourced materials. There appears to be a theme that products which are closer in the value chain to their raw materials are better perceived.

How Consumers Describe FMCG Brands



	Toilet Paper Brands	Crisp Brands	Average FMCG Score
Uses ethically sourced ingredients/materials	11%	6%	8%
Is doing what it can to ensure all products are manufactured in an eco-friendly way	12%	6%	9%
Has a clear environmental agenda	10%	5%	7%
Uses excessive packaging	6%	12%	8%
Uses recyclable materials for its packaging	13%	9%	13%



FMCG BRANDS: TOP 5

1st



Jordans achieved a CSR score of 50, with consumers rating the brand particularly well for being environmentally friendly. Jordans has been placing importance on environmental sustainability, especially with regards to their farming methods – its ‘Good Food Commitment’ focuses on sustainable and nature-friendly farming – and this has been recognised by consumers. In 2016 it established ‘The Jordans Farm Partnership’, working with farmers and wildlife trusts to free-up 10% of farming land to help protect wildlife species. It was also one of the first UK brands to use 100% sustainable palm oil in some of its products.

Consumers’ top associations with Jordans:

- Cares about where their ingredients come from
- Uses the best quality ingredients
- Uses ethically sourced ingredients



2nd



Smartwater achieved a CSR score of 48 and has developed new strategies to enhance sustainability and reduce waste, leading the way in the soft drinks category. In 2019, the packaging of the Coca-Cola-owned brand was changed to use bottles made from 100% rPET (recycled Polyethylene terephthalate plastic), and to remove a substantial amount of non-recyclable plastic from the manufacturing process.

Consumers’ top associations with Smartwater:

- Uses recyclable materials for its packaging
- Is doing what it can to ensure all products are manufactured in an eco-friendly way
- Has a clear environmental agenda

3rd



With a CSR score of 47, Dove's CSR efforts focus on becoming more sustainable by reducing plastic waste and driving body confidence. It is the leading FMCG brand in health and personal care in terms of implementing new strategies to become more environmentally friendly. From 2004, Dove has been committed to increasing its social responsibility by helping and educating young people through its 'Self-esteem project'. More recently it has also set goals to make all of its plastic bottles 100% recyclable, to use plastic-free packaging on the Dove Beauty Bars, and to develop a reusable, refillable format for its deodorant sticks.

Consumers' top associations with Dove:

- Cares about their customers
- Uses recyclable materials for its packaging
- Uses only the best quality ingredients



4th



AndreX's CSR score of 47 reflects consumers' perception of it as a FMCG brand which is environmentally friendly and socially responsible. It is actively engaged in identifying and implementing product design and manufacturing solutions to enhance sustainability and to do its bit to help slow-down climate change, for example, by making all dry toilet tissue packaging 100% recyclable, sending zero manufacturing waste to landfill and using fibre from certified sustainable sources.

Consumers' top associations with AndreX:

- Cares about their customers
- Uses recyclable materials for its packaging
- Uses only the best quality materials

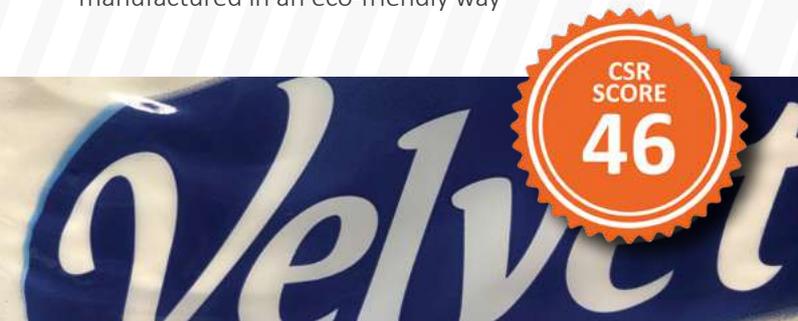
5th



Occupying largely the same market as AndreX, Velvet has a similar CSR score of 46. Since 2011, its branding has focused on a key message of giving back to the environment through sustainable forest management and this has stuck in consumers' minds as a result of a strong marketing campaign. In 2008 it launched a 'three tree campaign', promising to plant three more trees for every tree cut down to make toilet tissue. Recently, the brand has been stocked less by the big supermarkets, but the campaign from over 10 years ago has clearly resonated with consumers.

Consumers' top associations with Velvet:

- Cares about where their materials come from
- Cares about their customers
- Is doing what it can to ensure all products are manufactured in an eco-friendly way



INSIGHT 10: TRANSPARENT COMMUNICATION IS NECESSARY

With issues surrounding climate change and the environment rapidly becoming significant to many consumers, brands are increasingly taking action to move their CSR efforts to a new level. Whether or not they genuinely have a 'sustainability conscience' is irrelevant; to survive, they have to minimise the risk of falling behind.

The findings from our Great Green Sustainability Study have identified some key brands which stand out to consumers, especially within the retailer category, but even the best are failing to achieve as much as they could in this area.

Brands need to communicate their CSR objectives and achievements and their sustainability messages much more clearly to make consumers aware of what they are doing, build trust with them, and differentiate themselves from their competitors. This could be achieved through multi-channel marketing campaigns, using customer-facing staff to educate consumers, and/or using product packaging more effectively.

Brands should communicate simple, clear messages that resonate and stick with consumers; for example, Velvet's three tree promise is still remembered by consumers – even though it is no longer shown on the product's packaging.

Packaging and plastics are one of the first environmental issues that consumers take into account when purchasing a product. Brands need to implement strategies to cut down on waste and increase their use of recyclable/ sustainable materials/ingredients to be perceived more positively by consumers. And with plastic likely to continue to be vilified in the press, messaging about these plastics-reduction initiatives will almost certainly be valuable in the future.

IMPACT
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SUSTAINABILITY IN SUMMARY

With issues surrounding the environment and sustainability having moved to near the top of the UK political agenda, the small things which some businesses and consumers have been doing in this area need to be replaced by major changes to purchasing behaviours and manufacturing processes. Without a doubt, consumers have some level of knowledge about the environment and want to do more to help. Future consumers in particular are being heavily influenced through social media and environmental campaigners such as Greta Thunberg to adopt more environmentally friendly actions into everyday lives.

Brands must not be complacent. They need to do a lot more, and they need to drive benefit from what they're doing by making consumers aware of what strategies they are putting in place. Some brands are showing how to do this, especially retailers such as The Body Shop and Lush, who have successfully incorporated sustainability and CSR into their business's ethos, whether that be through environmentally friendly, socially responsible, financially responsible, or ethical actions. But our CSR scores show that other brands are falling behind with consumers; these brands need to act quickly or they could lose out to current or new players stepping ahead.

Consumers and brands need to work in collaboration- with each other and with the Government and local councils- if they are to meet the UK's ambitious targets for helping the environment, improving sustainability and, ultimately, making a positive difference to our planet.

If you would like to find out more about this study and how we could support your business with your sustainability strategy, please get in touch with Tom Gould, Head of Consumer research division at Impact at tom.gould@impactmr.com

You can also visit our website at www.impactmr.com



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