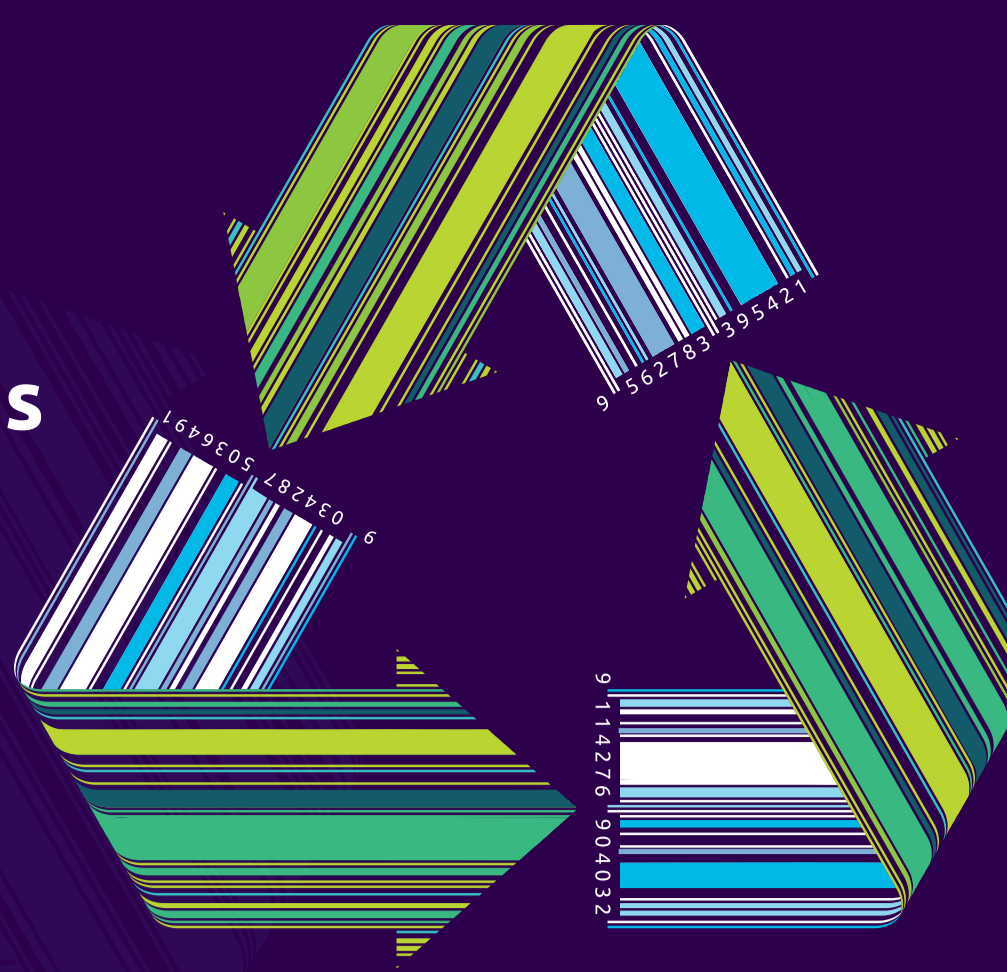


How sustainability is fundamentally changing consumer preferences

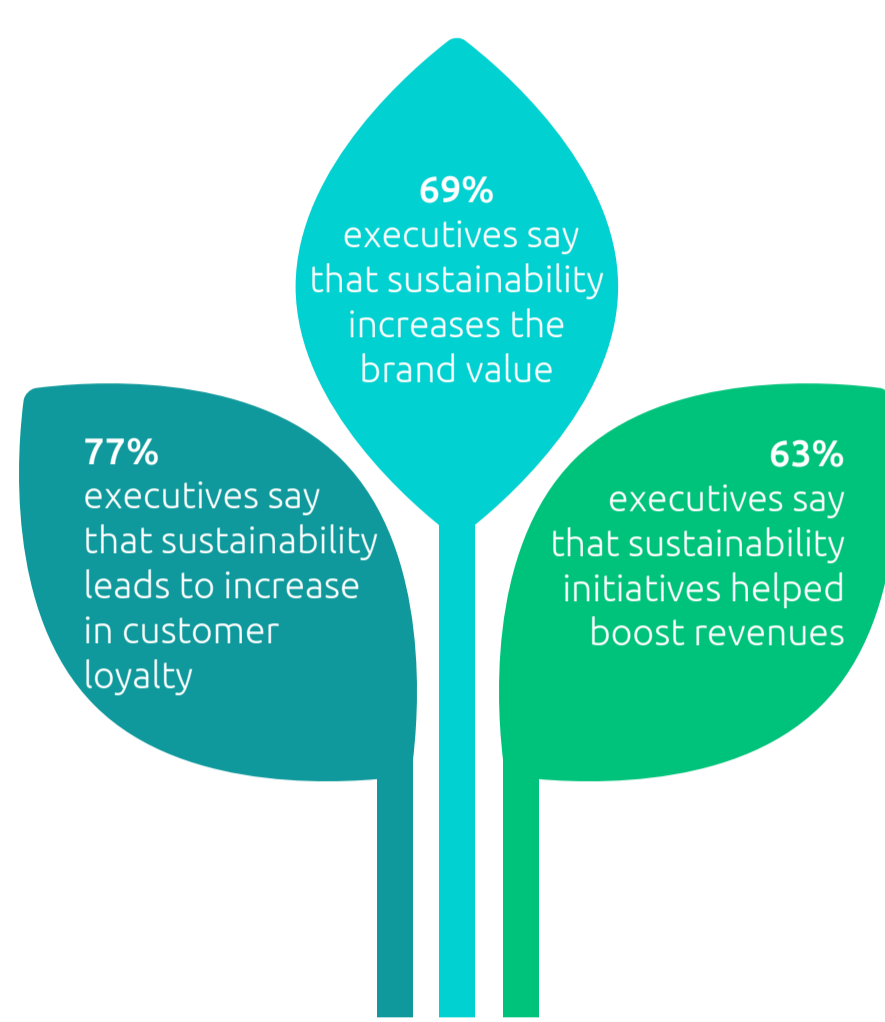


Sustainability impacts consumers purchase preferences and makes them happy

- **64%** of consumers say buying sustainable products makes them feel happy when shopping
- **52%** of consumers feel an emotional connection with a product or organization which is sustainable
- **79%** of consumers are changing purchase preference based on the social or environmental impact of their purchases

Source: Cappgemini Research Institute, Sustainability in Consumer Products and Retail Survey, March 2020, N=7,520 consumers.

Sustainable organizations derive significant customer-facing and financial benefits



Sources: Cappgemini Research Institute, Sustainability in Consumer Products and Retail Survey, April-May 2020, N=750 consumer products and retail organizations.

There is a significant gap between the perception and practice of sustainability

Consumers think they practice sustainability, but do not always grasp the cold reality of a product's impact on the environment.

- **78%** of consumers who purchased a bar of chocolate are not aware that it takes one thousand liters of water to produce one chocolate bar.
- **68%** of consumers who purchased a burger are not aware that the average burger patty results in more carbon emissions than driving 15 km in a large car.
- **61%** of consumers who purchased a pair of jeans are not aware that it takes around 7,500 liters of water to make a single pair of jeans.
- **60%** of consumers who order online delivery are not aware that nearly one-third of solid waste in the US comes from e-commerce packaging.

Sources: Cappgemini Research Institute, Sustainability in Consumer Products and Retail Survey, March 2020, N=7,520 consumers.

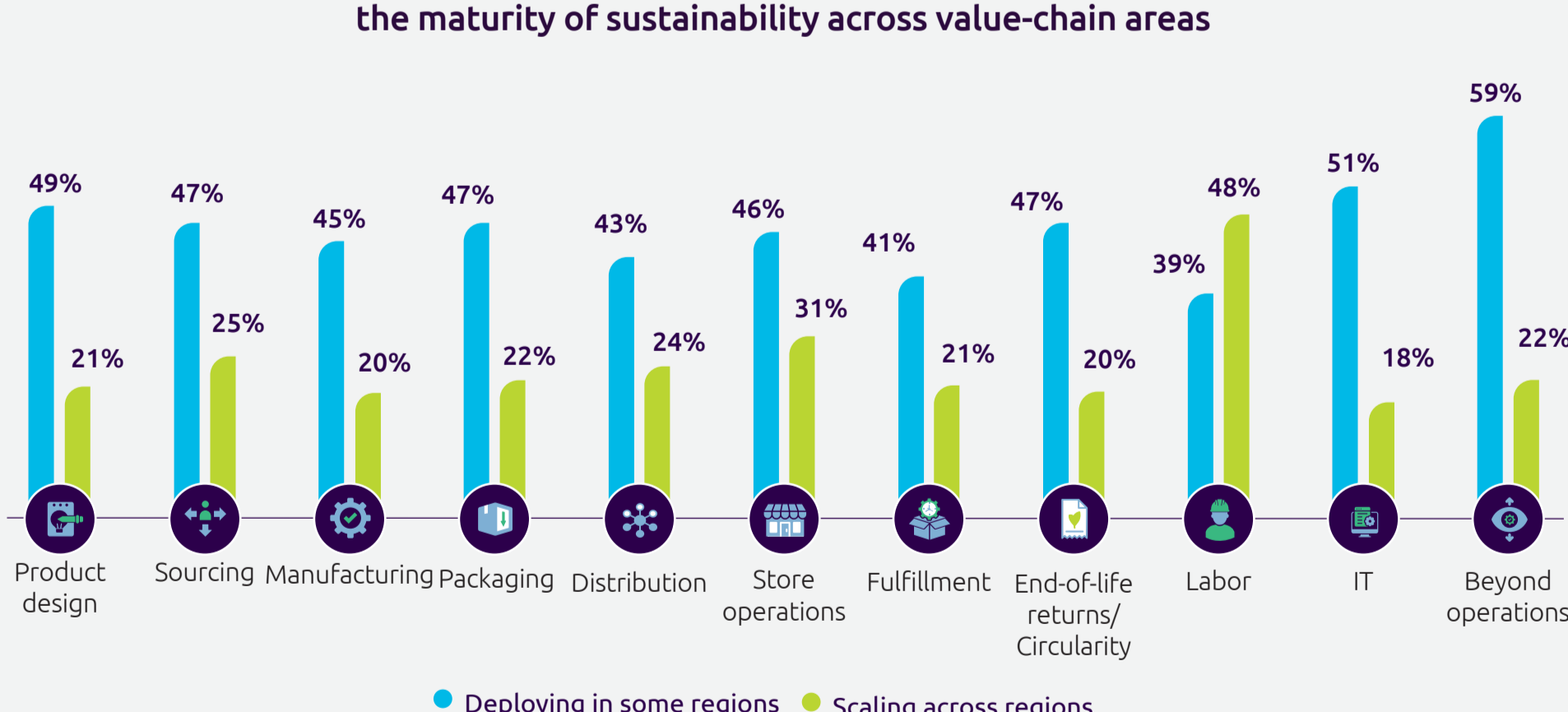
Organizations are yet to come to terms with how fundamentally consumer preferences have shifted

- **24%** of organizations say their consumers are willing to switch from well-known brand(s) to lesser known brand(s) which they perceive as sustainable
- **53%** of consumers say they have switched to lesser known brand(s)/ organization(s) whose products/services they perceive as sustainable

Sources: Cappgemini Research Institute, Sustainability in Consumer Products and Retail Survey, March-May 2020, N=7,520 consumers; N=750 consumer products and retail organizations.

The implementation of sustainability across CPR firms is fragmented and fails to achieve scale

Percentage of organizations agreeing to the maturity of sustainability across value-chain areas



Sources: Cappgemini Research Institute, Sustainability in Consumer Products and Retail Survey, April-May 2020, N=750 consumer products and retail organizations.

A Roadmap to accelerate sustainability in consumer product and retail organizations

Collaborate with the broader ecosystem

- Establish end-to-end visibility of key ecosystem partners
- Share sustainability goals; work with the partners to drive action; and share accountability
- Work with peer networks

Bring in robust governance

- Ensure top leadership is committed and accountable
- Look at a central governing structure and a federated delivery
- Align KPIs with established frameworks; measure and audit



Empower consumers and employees

- Empower employees to practise sustainable behaviour internally
- Educate consumers through education, awareness and choice

Position technology at the core

- Include sustainability as a basic principle for business case
- Map the technology use cases to the broader sustainability goals
- Measure success

Sources: Cappgemini Research Institute Analysis

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