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3 Reasons Brands Should Care About Conscious Consumers





A forceful call for action echoes around the globe, as our youth advocate for an immediate and comprehensive response to climate change. Led by 16-year-old activist Greta Thunberg this week is projected to be the largest Climate Strike in history, with millions of concerned citizens around the world demanding an end to the age of fossil fuels. This youth climate movement has garnered support from the private sector, and

forward-thinking brands including Burton, Lush, and Patagonia are closing their stores today out of solidarity (Peters, 2019). Corporate activism like this is on the rise, likewise, it is an integral aspect of the changing consumer landscape. Millennials and Gen Z consciously seek out brands that support their values, such as combating climate change. Companies must adapt to this purpose-driven future, or risk being stranded in the coal-dusted past. If this isn't reason enough, brands should care about conscious consumers for the following three reasons:

1. Immense Spending Power of Conscious Consumers

Last year, the United States alone spent \$128.5 billion on sustainable consumer goods, elucidating the sheer spending power behind environmentally conscious consumers (Nielsen, 2018). Over the last three years, these influential consumers have contributed to a 20% increase in sustainable product sales, with a compound average growth rate 4 times larger than conventional products. By 2021, conscious consumers are expected to spend an increase of \$14-\$22 billion on sustainable fast-moving consumer goods in the United States. Young conscious consumers are using their dollars to vote for brands that align with their values, moreover, "Millennials report a greater willingness to pay more for products that are sustainable, environmentally friendly, organic or socially responsible products" (Nielsen, 2018). Most notably, the conscious consumer represents a drastic intergenerational divide, with roughly 75 percent of Millennials altering their buying habits with the environment in mind, compared to only 34 percent of Baby Boomers doing the same (Mullen, 2018). With Millennials and Gen Z poised to dominate consumer demographics, their spending behavior will have increasing power in the economy — and there is a growing number of resources to help them decipher the good brands from the bad.

2. Conscious Consumers Research Brand Values and Behavior

Technology has allowed for unparalleled transparency into brand values, and in this climate, it's certainly not enough to claim a brand value without the facts to back it up. With an ever-increasing number of sustainability assessment tools, a conscious consumer can clearly and quickly research brand values that align with their own, expediting their research process and enabling their spending power. Conscious consumers can choose any number of parameters to determine if a brand aligns with their own values, and numerous tools are available to help navigate this crucial territory,

for instance: <u>BuyCott App</u> (barcode scanner to learn about brand ownership, politics, sustainability), <u>Trestle</u> (browser plugin that gives a compatibility score based on your values), <u>Good on You</u> (application that gives a detailed rating of company values), and <u>WearWell</u> (personal shopping subscription service based on your values). In addition to these assessment tools that measure brand sustainability, there are also tools that allow consumers to measure their own carbon footprint. For instance, MasterCard paired up with Doconomy to release the "<u>DO Card</u>," which enables cardholders to "Track, understand and take accountability for their carbon footprint based on what they consume." As the Manager of Global Climate Action at UNFCCC, Niclas Svenningsen says, "DO represents a new and interesting way of bringing climate action directly to the consumer." By tracking brand behavior and personal consumer habits, conscious consumers are able to make informed and data-driven decisions. This ensures that brands are true to their word, and many companies are taking note.

3. Competitors Have Already Started Adapting

In an effort to "Appeal to Millennials/Gen Z, who are hyper-aware and embrace sustainability," Nordstrom recently launched the first online microsite dedicated to sustainable fashion, explaining, "You've told us that you want consciously manufactured products that align with your values. We want those things too" (Ryan, 2019). This heightened focus on sustainable fashion is exemplified by the G7 Fashion Pact, the first international coalition to reduce the environmental impact of the fashion industry. Established by French President Emmanuel Macron, the G7 Fashion Pact employs science-based targets to reduce global warming, restore biodiversity and preserve the oceans. The Pact is comprised of 150 brands across numerous countries, including Gucci, Chanel, Tapestry, Nike, Alexander McQueen, Prada, Hermès, Ermenegildo Zegna, Burberry, Gap, Zara, Nordstrom, and Capri Holdings (Farra, 2019). In addition to these brands, Patagonia has been at the forefront of environmental activism, thanks to the CEO, Rose Marcario. After Patagonia received \$10 million in tax breaks due to the change in federal tax code under President Trump, Rose Marcario donated the entire \$10 million to non-profit organizations fighting climate change (Shvedsky, 2019). This goes to show that numerous corporations are already aligning themselves with environmental causes, from embracing sustainable manufacturing processes, participating in political pacts, and donating directly to environmental causes themselves.

By integrating sustainability into a company's mission and practices, brands will set themselves up for success in a future that favors action. Conscious consumers are wielding their spending power to support brands that are implementing sustainable practices, and success-driven brands are already putting in the work. In this changing consumer landscape, there is no reward for apathy.

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