Impact of COVID-19 Research Burst

U.S. and UK Responses
Initiatives

- The **main areas of focus** for companies when it comes to **environmental and sustainable initiatives** for the **next 12 months** are:
  1. Raw materials (42%)
  2. Manufacturing sustainability (42%)
  3. Worker safety (40%)
  4. Green/sustainable building practices (36%)
  5. Traceability (31%)

- Similarly, companies’ **main areas of focus** in environmental and sustainable initiatives over the **last 12 months were**:
  1. Raw materials (41%)
  2. Manufacturing sustainability (40%)
  3. Worker safety (40%)
  4. Green/sustainable building practices (35%)
  5. Traceability (32%)
Question:

Which of the following best describes your company’s sustainability initiatives for the next 12 months?

- 47% will remain committed to following industry standards for sustainability over the next 12 months
- A further 28% will remain committed to setting industry standards for sustainability
- While 26% do not currently have a sustainability program

Insight

- 47% will remain committed to following industry standards for sustainability over the next 12 months
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COVID-19

• 69% agree that the pandemic has shown the importance of sustainable products to customers
  • 20% strongly agree
• While just 6% disagree that this has been the case

• 61% have experienced increased customer demand for environmentally sustainable business practices and goods/services since the start of the pandemic
  • 18% say there is significantly more demand
• Just 12% say there has been less demand for sustainability since the start of the pandemic

Of those who have a sustainability program or plans to develop one (n=484):

• 63% believe COVID-19 has had a positive impact on their company’s proactive investments in or future commitments to sustainability initiatives, partnerships or standards
  • 18% say there has been an extremely positive impact
• While 23% think COVID-19 has had a negative impact on investments in and commitments to sustainability
Question:

To what degree is your organisation planning to decrease or increase proactive or future investments (i.e. time, money, other resources) in the following?

- Transparency in sustainability reports
- Sustainable supply-chain sourcing and partnerships
- Environmental marketing or messaging
- External sustainability standards or protocols
- Internal sustainability initiatives
- External sustainability collaborations or innovations
- Sustainable product innovations or R&D

Insight

Of those who have a sustainability program or plans to develop one (n=484):
- Just under half (46%) say their organisation is increasing investments in transparency in sustainability reports.
- Other areas of increased investment include:
  - Sustainable supply-chain sourcing and partnerships (42%)
  - Environmental marketing or messaging (42%)
• On average, employees estimate that **39.1% of their customers** are interested in and searching for **items marked as sustainably produced**
  
  • 33% believe **0-30%** of their customers are doing this
  
  • Two-fifths (42%) think **31-50%** are interested in sustainably produced items
  
  • And 25% estimate that **51% or more** of their customers are seeking out sustainable items

Of those who think at least 1% of their customers are interested in and searching for items marked as sustainably produced (n=495):

• 43% believe their customers are searching for sustainable items using **search engines**

• This was followed by:
  
  • Following influencers who specifically promote sustainable apparel (38%)
  
  • Searching for it on social media (39%)
  
  • Applying filters on the particular apparel's website (38%)
  
  • Receiving sustainable apparel newsletters (31%)
Spending

- Over the next 12 months, 50% expect an increase in customer spending in sustainable apparel
  - While 20% expect customer spending to decrease

Of those who expect customer spending to increase (n=294):  
- Over two thirds (67%) think this will be due to customers saving money during the pandemic  
  - 62% believe there is a need to get back to ‘normal’ amongst customers  
  - And 26% think customers may have ‘gone without’ during the pandemic so would like to spend more on what they didn’t have

Of those who expect customer spending to decrease (n=94):  
- 64% think this is because customers will have got used to ‘living without’ and will be less likely to spend on things they don’t need  
  - 61% believe customers have lost income  
  - And 28% think customers will be saving money in case of further waves of the pandemic
Question:

Which of the following do you believe customers will prioritise when making purchasing decisions over the next 12 months?

- Getting the best possible deal: 43%
- Brand or retailer alignment with their personal values: 39%
- Environmental sustainability product marketing or messaging: 35%
- Brand or retailer support during COVID-19: 36%
- Corporate transparency of sustainability practices: 30%
- Human rights and labour product marketing or messaging: 31%
- N/A – not sure: 3%

Insight

Over the next 12 months, employees believe customers are most likely to prioritise the following when making purchasing decisions:

- Getting the best possible deal (43%)
- Brand or retailer alignment with their personal values (39%)
- Environmental sustainability product marketing or messaging (35%)
Listening

- 41% of fashion/retail employees think their customers have been more vocal about their environmental and sustainability concerns since the start of the pandemic
  - Whilst over a third (36%) say their customers were more vocal before the pandemic
  - And one-fifth (23%) say there is no difference

- 65% say that data is an important part of their organisation’s sustainability initiative
  - One-fifth (22%) say data is very important
  - Just 9% say data is an unimportant part of their initiative
  - While 3% don’t use data for sustainability at all

- Sustainability certificates are important to 66% of organisations as a way of becoming more sustainable
  - 21% think sustainability certificates are very important
  - Just 7% say these certificates are unimportant
  - And a further 6% don’t use sustainability certificates in their organisation
Since implementing your environmental and sustainability initiatives over the past 12 months, what effects have you seen in your customer base?

**Insight**

Of those carried out environmental and sustainability initiatives at their organisation over the past 12 months (n=489):

- Since implementing their environmental and sustainability initiatives, organisations have seen the following effects in their customer base:
  1. More positive feedback in general (35%)
  2. Customers want to know more about sustainability initiatives (30%)
  3. Customers are willing to spend more on single items than usual (34%)

- We have had more positive feedback from customers in general (35%)
- We’ve noticed that customers want to know more about our sustainability initiatives (30%)
- Customers are willing to spend more on single items than usual (34%)
- We have a wider range of demographics in our core customer base than before (31%)
- Customers want to find out more about the journey of sustainable apparel (30%)
- Rather than spending little and often, our customers tend to spend more but less frequently (28%)
- We have attracted younger customers (28%)
- I don’t know / N/A – nothing in particular (7%)
Which of the following comes closest to your current job title?

Insight
• The most common job title was top management (25%)
• This was followed by:
  • Other C-level executive (16%)
  • Marketing department (16%)
  • Buying/sourcing officers (13%)