# Ethical Consumerism



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Millennials and Gen Z loom large in the strategic planning of corporate America. Morgan Stanley notes that "Millennials overtook Baby Boomers as the largest cohort in the U.S. last year...And Gen Z will overtake Gen Y as the country's largest cohort by 2034, ultimately peaking at 78 million." Beaconing to these audiences and building brand recognition and consideration is imperative for creating, protecting, and enhancing market share over the next several decades.

#### Their wallets are deep and growing.

It's imperative because Gen Z's economic power is the "fastest-growing around the world," according to <u>Bank of America via Marketing Dive.</u> "Gen Z's income is set to grow 400% over the next decade to \$33 trillion," says the bank. "The cohort - made up of those born after 1996 - will hold more than a quarter of global income by 2030 and surpass Millennials' spending power the year after."

They're more propense to synchronize spending with values & ethics. Ethical consumerism is among the larger generational tendencies to which brand and marketing strategists are currently adjusting. Younger spenders are more likely than older generations to start or stop patronizing businesses based on their ethical alignment (or lack thereof)!

In their 2019 study of Millennials and Gen Z, <u>Deloitte</u> found that:

**35**%

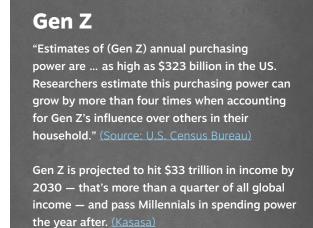
said they would **start or deepen a relationship** with a company whose ethics *are aligned* 

36%

said they would **stop or reduce business** with companies whose ethics *were not aligned* 

#### They shifted spending based on pandemic

**response.** The 2021 Deloitte study demonstrates this tendency is already shifting spending. "Almost a third of respondents started or deepened consumer relationships with companies based on their response to the COVID-19 crisis, while around a quarter stopped or lessened relationships for the same reason."



"Gen Z will make up 30% of the US workforce by 2030 and is estimated to increase their per capita annual expenditure by 70% between 2020 and 2025." (Source: U.S. Census Bureau)





#### TikTok helps tell the tale.

Want real-life examples? Download TikTok and search "ethical investing," or "ethical consumerism." You'll find troves of twenty-something creators, investors and spenders who want their choices to influence authentic, sustainable change. Here are words and actions of some of the creators:

- Proclaiming they like "learning about brands, their mission, and their values and their intentions behind partnerships and investments."
- Cutting a major brand of credit card in half and stating that global banks have invested nearly \$2 trillion in fossil fuels since the Paris Agreement.
- Listing "ethical fashion brands for every budget."
- Encouraging holiday buyers to shop more sustainable gift materials and sources including hand-made, second-hand, fair-trade, local businesses, etc.
- Advising how investment choices can "save the planet."
- · Listing sustainable clothing brands.

Such posts illustrate how ethical and sustainable spending and investing behavior is organically and perpetually socialized through the most influential social media channels. This fuels outlooks and preferences for audiences that will drive the economy for decades to come.







While social media energizes ethical sentiment, emerging mobile apps galvanize action. They make it easier to impose ethics and values on research, actions, and spending. For example:

**Yayzy** is a "personal carbon footprint calculator" that helps users "measure and reduce their impact on the planet." The measurements are based partially on spending choices.

**Ellevest** is an app that prioritizes increasing wealth for women. It's "designed to get more money in the hands of women."

**Betterment** offers "Socially Responsible Investing Portfolios" that "make it easy to support your values" via low-fee ETFs.



## Saying the right things is not good enough. Younger generations must perceive your brand as an authentic driver of environmental & social good.

Brand authenticity used to be solely a product test. Brands were built and marketed from the product out. If your product experiences simply kept Marketing's promises, you could build positive brand consideration and loyalty. Those days are over.

Today, brands that court Gen Z must be built from the mission and operations out. Authenticity must flow not only through the product, but through every aspect behind it. This includes your operations; your packaging; your supply chain; your hiring practices, the causes you champion; your ESG performance, and the way you treat employees, suppliers, and communities.

#### You've got to authentically stand for something.

Younger generations must perceive your brand as an authentic driver of environmental and social good. According to <a href="MarketingDive">MarketingDive</a>, "66% of young consumers say their perception of a brand improves if that brand is associated with a social cause they support..." Yet, only 12% of the same consumers have a top-of-mind association between a brand and the causes they support." This gap between awareness and brand consideration commands that companies make their Environmental & Social Governance investments a more overt & recognized aspect of their brands.

#### Not taking a stand is not an option.

"Today, at a time of heightened consumer attention and expectations, not saying anything is still saying something," says brand consultant, <u>Dentsu</u>. "And it increasingly comes at a price: 50% of consumers indicated that when a brand stayed silent on an important issue they switched brands; encouraged others to boycott; made social posts critical of the brand's silence; or encouraged the brand to speak up.





#### The implications for brand merchandising?

A product decorated with your brand assets should never contradict the values for which your brand stands. Your product assortment needs to be controlled for synchronization with your brand image and promises. Your merchandise supply chain should also reflect your values.

Accordingly, the products and partners that help project your brand into minds and marketplaces must demonstrate the same ethical and environmental values. Authenticity must flow not only through your promotional product choices, but also through their decoration and packaging. Insist that your brand merchandising partner demonstrate the staff, platforms and protocols that project ethical and sustainable values onto their operations and supply chain.

### Want product recommendations that reflect ethical and sustainable values?

Check out our Ethical Consumerism Trend Study.

It outlines trends and related merchandise options that are authentically qualified to carry awareness messaging for your ESG commitments and performance. Consider targeting such products to younger audiences. The more you help emerging generations become aware of shared ethics, values, and sustainability commitments, the more prominent your brand becomes as an option for congruent spending and investing. And that's the key for brand effectiveness over the next several decades.





### Depend on Staples for Merchandise Experiences that Keep Your Brand Promises

## Our decoration & distribution center provide the most sustainable merchandise experiences in the industry!

- Staples Promotional Products has engaged EcoVadis
  for the purpose of documenting and measuring our
  Sustainability objectives, which will be based on
  United Nations Sustainable Development Goals. By
  partnering with Staples, you will be investing in the same
  objectively-measured goals.
- Our 500,000 square-foot Distribution Facility is located in Orange City IA. Where over 75% of the US population is within 2 days or less using standard ground transit time. That means standard distribution requires less fuel and less time.
- 3. Merchandise decoration occurs adjacent to the distribution center so secondary transit time and fuel use is eliminated for SPP-decorated products.
- 4. The entire facility runs on 100% renewable energy.
- 5. Progressive efficiency investments enabled Staples to reduce energy use by double digits last year.
- 6. All decoration & distribution performed at Staples produces zero-waste-to-landfill.
- 7. Everything decorated at Staples is with water-soluble inks and phthalate-free materials.
- 8. We document EPA compliance with all decoration waste materials.
- 9. All ink screens are recycled.
- 10. Plastic bags are never used as outer shipping containers.
- 11. Garment bags are composed of at least 50% recycled plastics.
- 12. Shipping boxes are made from recycled-post consumer waste.

- 13. We use Packsize® technology to make smaller, more precise cartons when standard sizes are too big for an order. This reduces cardboard use 40%.
- 14. Packsize® reduces package sizes, so more can travel on the same trucks using the same fuel.
- 15. Packsize® reduces reliance on void-fills such as Styrofoam peanuts.
- 16. We employ neurodivergent talent to enrich opportunities for community members with intellectual and developmental disabilities, autism spectrum and traumatic brain injury. On any given day, 9 to 15 neurodivergent teammates contribute to our success by working on kitting projects and recycling tasks.

In total, these controls mean every product produced and shipped from our zero-waste-to-landfill distribution center reaches your stakeholders with minimal fuel, corrugate and plastic consumption. This gives you merchandise experiences AND delivery experiences that keep your brand promises.

## Which factor would make you more likely to shop with a brand?

47%
Sustainable packaging
28%
Ethically sourced products
17%
Natural/chemical-free/plant-based products
9%
Fuel-efficient transportation methods

(Dotcom Distribution)

Shop custom, sustainable products on <u>StaplesPromo.com</u> or contact your Staples Promo Representative for more information.