Retailer Sustainability Initiatives that Influence Supply Chains & Consumer Behavior

Preliminary Results of the Assessment Study

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Background

- Retailers act as intermediaries between consumers and manufacturers*
- This puts retailers in a unique position
- Attributed to the introduction and use of “Point of Sale” systems
- Ability to influence supply chains (design & production practices)
- Ability to influence consumer behavior (purchasing, use, & disposal)
- Use of Life Cycle Thinking to execute sustainability strategies

* Also referred to as “brand owners”
Core Objectives Addressed in the Study

1. What are the life cycle-based initiatives that retailers are undertaking? What are the drivers?
2. Have retailers changed their business models in order to incorporate sustainability? If so, how?
3. What are the life cycle-based initiatives that the retailer is not undertaking? What are the barriers?
4. What needs to be done to advance retailer initiatives that seek to influence supply chains and consumer behavior based on life cycle thinking?
5. What can UNEP and other global actors do to advance retailer initiatives?
Methodology

Six Steps

1. Literature Review
2. Selection of the countries and retailers
3. Survey & Data Analysis
4. Production of Results & Recommendations
5. Retailer Workshop
   - Present preliminary results & receive feedback
6. Further Revision and Convergence of Results & Recommendations
36 Retailers in 13 Countries
Participated in the Survey
The majority of initiatives focus on environmental imperatives. Human rights is the most prominent social area of influence. Some initiatives are a blend of two influence areas, such as agriculture which has both environmental and social implications.
Human rights is the sole initiative that receives the highest active engagement from retailers, when compared to passive engagement. Product content receives the most indirect engagement from retailers, followed by packaging.
“Product choices” was the most cited strategy to influence consumers.

- It is a marketing strategy when retailers offer consumers a variety of choices with varying price ranges and qualities.
- It is a sales strategy when retailer edits the variety of choices based on predetermined sustainability criteria.

Hedonics refers to the branch of psychology concerned with pleasant and unpleasant sensations.
Drivers for Retailer Sustainability Initiatives

Consumer demands are identified as the most frequently cited driver for retailer initiatives. Corporate commitment to sustainability and supplier relationships is absent for large retailers in the survey but present in the literature review. Large retailers consider consumer demands and business strategy as their top drivers for life cycle-based initiatives.
How have Business Models Changed?

- Added the sale of local products and direct sourcing from farmers
- Formed permanent teams and departments to address sustainability issues
- Created a new sustainability policy
- Working with suppliers and consumers to develop sustainable solutions
- Created economic incentives for suppliers to develop sustainable solutions
- Developed a detailed method of reporting to assess performance
What are Retailers Not Doing?

The lack/limited used of life cycle based environmental declarations was the most cited gap among all retailers. All other gaps are equally distributed.
Recommendations based on the Results of this Study

1. Utilize Knowledge Mining
2. Utilize Stakeholder Consultation
3. Utilize Life Cycle-based Approach
4. Perform Localized Assessments
5. Assess Effectiveness of Initiatives
6. Create Guidance
7. Create Communication Platform
Thank You!

For more information about this study, contact
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