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GLOBAL
VOICES

SUSTAINABLE GLOBAL GROWTH

and Beauty Shopper Expectations

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EXECUTIVE SUMMARY

The beauty industry is on a growth trajectory with legacy brands and newcomers alike seeing increased sales and growth in new markets. But along with that growth is a growing chorus of young shoppers demanding that brands embrace sustainability and environmental responsibility.

But what does it mean for a beauty brand to be sustainable? What actions can brands take to meet customer demands and be environmentally responsible?

ESW surveyed more than 16,000 shoppers from 16 countries about their attitudes toward sustainable shopping and what steps beauty brands can take to earn their trust and their business.

The following report is meant to serve as a valuable source of consumer insight that helps you make data-driven decisions that are good for the bottom line and the planet.



BEAUTY'S BEST CUSTOMERS DEMAND SUSTAINABILITY

Almost **90%** of beauty shoppers consider sustainability when making purchases. A deeper look at the data shows that the most coveted customers are even more environmentally conscious.



POWER SHOPPERS



CROSS-BORDER SHOPPERS



YOUNG SHOPPERS



95%

OF POWER SHOPPERS

(those *spending* >\$2,500 per year online) consider sustainability as part of their purchase decisions.



Values are percent of shoppers who responded Yes to survey questions: Do you consider sustainability when making a purchase decision. (N=4,462)

Source: Global Voices Survey conducted November 2022

CROSS-BORDER SHOPPERS ARE MORE LIKELY TO CONSIDER SUSTAINABILITY WHEN BUYING

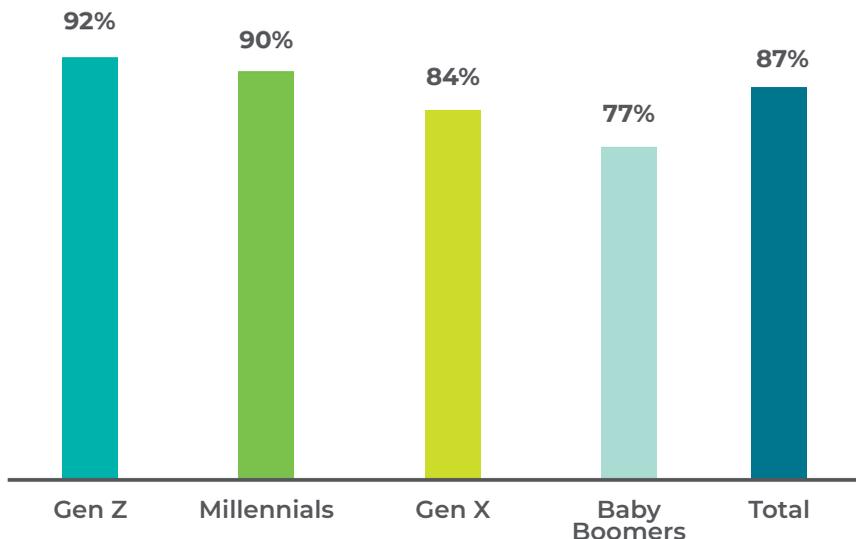
Do you consider sustainability criteria when making a purchase?



Values are percent of shoppers who responded Yes. (N=13,715)
Source: Global Voices Survey conducted November 2022

GEN Z AND MILLENNIALS PRIORITISE SUSTAINABLE PURCHASES

Do you consider sustainability when making a purchase decision?



Values are percent of shoppers who responded Yes. Gen Z (N=2,085), Millennials (N=6,230), Gen X (N=3,484), Boomers (N=1,916)
Source: Global Voices Survey conducted November 2022



66% OF SHOPPERS
have significantly
changed shopping
behaviour to lessen
their environmental
impact

MARKETS WITH YOUNG POPULATIONS RANK HIGHEST FOR VALUING SUSTAINABILITY

Which global markets are the most sustainably minded? Beauty shoppers in countries with younger populations are more likely to consider sustainability when buying online.

MARKETS WITH YOUNG SHOPPERS ARE MOST LIKELY TO FACTOR SUSTAINABILITY INTO PURCHASES

When you shop online do you consider sustainability criteria in your purchase consideration?



Values are % of respondents who responded Yes. (N=500-940 per country)
Source: Global Voices Surveys conducted November 2022

BOTTOM LINE:
The most valuable beauty customers value sustainability. Brands expanding into new markets should prioritise sustainability from day one.



HOW BEAUTY BRANDS CAN MEET SUSTAINABILITY EXPECTATIONS

Beauty shoppers want to buy from brands whose sustainable values align with theirs. But what exactly do shoppers expect and what criteria do shoppers use when deciding to make a purchase?

SHOPPERS WANT BEAUTY BRANDS TO BE TRANSPARENT AND ETHICAL

Consider sustainability and shopping, how strongly do you agree or disagree with the statement?



75%

I expect brands to be transparent about their environmental credentials



72%

I'm more willing to buy a product if it has a positive environmental impact



68%

I consider ethical production when shopping online



67%

I would buy a product if the delivery was carbon neutral

Values are percent of consumers who Strongly Agree/Agree (N= 11,096)
Source: Global Voices survey conducted November 2022

SUSTAINABLE PACKAGING AND DELIVERY DRIVE PURCHASE DECISIONS

When you shop online, do you include the following criteria in your purchase consideration?



Values are % of respondents who responded Yes to each question (N=11,096)
Source: Global Voices Survey conducted November 2023

BOTTOM LINE:
Beauty brands can demonstrate a commitment to sustainability without upending their entire business. Brands that engage partners for carbon neutral delivery and sustainable packaging satisfy consumers' sustainability demands.



SHOPPERS WILL REWARD SUSTAINABLE BEAUTY BRANDS

Beauty shoppers want brands to be sustainable. But deploying new solutions is complicated and resource intensive. So does data support investing in sustainability? Do shoppers act on their beliefs and support sustainable brands? Our survey shows they do.

BEAUTY SHOPPERS CHANGE BEHAVIOUR TO BE MORE SUSTAINABLE

Consider sustainability and shopping, do you agree with the statement?



61%

I have purchased from a new brand specifically because of their sustainability practices



55%

I have stopped buying from certain brands because they lack environmental credentials



63%

I have spent more on a product because it was more sustainable



65%

I have gone out of my way to buy products in sustainable packaging

Values are percent of consumers who Strongly Agree/Agree (N=11,096)

Source: Global Voices Survey conducted November 2022



BOTTOM LINE:

Shoppers privilege and spend more money with beauty brands that prioritise sustainability. Brands that engage with sustainable partners boost their own environmental credentials and win more customers.

CONCLUSIONS AND RECOMMENDATIONS

When it comes to sustainability, beauty shoppers align their spending with their values. Brands that demonstrate a genuine commitment to sustainability will win and keep customers.

- + **95% of customers** who spend more than \$2,500 factor sustainability into purchase decisions
- + **55% of shoppers** have stopped buying from brands that lack environmental credentials
- + **63% of shoppers** have spent more money on a product that was sustainable

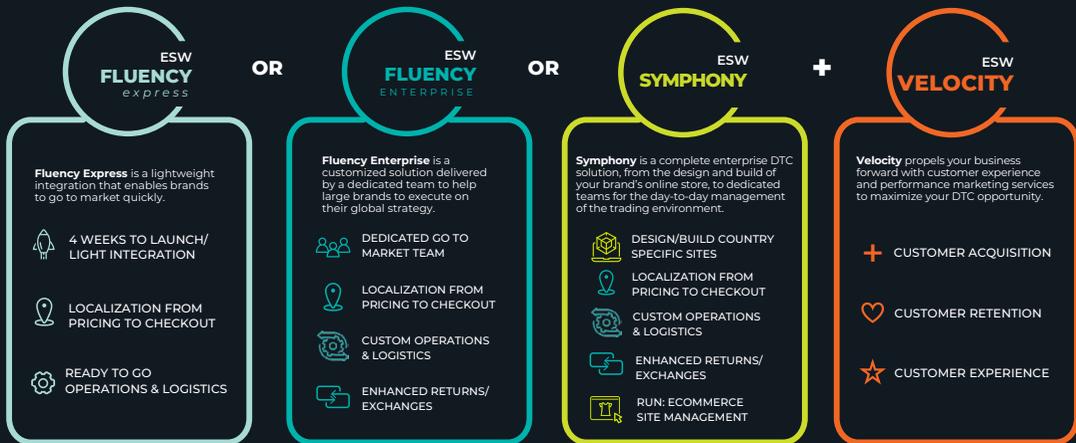
BRANDS SHOULD

- + Prioritise sustainability from day one
- + Reduce delivery footprints and increase sustainable packaging
- + Partner with sustainable vendors



ESW ENABLES GLOBAL GROWTH

ESW helps the world's best-loved brands accelerate DTC growth and meet shoppers' sustainability expectations with a suite of solutions that deliver a superior end-to-end consumer experience.



Contact us at growmybrand@esw.com or visit esw.com

Methodology: ESW's latest *Global Voices* consumer survey was conducted in November 2022 in 16 countries (Canada, the United States, Mexico, the United Kingdom, Switzerland, Spain, France, Italy, Germany, South Africa, the United Arab Emirates, India, China, South Korea, Japan and Australia), with 16,557 people responding. In this report Gen Z is defined as those between 18 and 24; Millennials as those ages 25-40; Gen X as those ages 41-56; and Baby Boomers defined as those ages 57-75.