

2023 Annual Sustainable Ecommerce Fulfillment™ Report

Introduction

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Panel

1011 US-based online shoppers • 551 US-based ecommerce brand decision makers responsible for logistics



Highlights

57% of consumers will accept slower shipping speeds if there is a more sustainable option.

55% of consumers will pay more for a product if there is a more sustainable option.

76% of consumers express greater interest in buying from brands that use recycled packaging.

40% of consumers are more likely to purchase from a brand using recycled packaging.

38% of consumers are more likely to purchase from a brand that uses compostable materials.



Introduction

Executives who make decisions about logistics, including Founders, CXO's, members of logistics teams and other staff of small to medium enterprises, and mid-market direct-to-consumer organizations are motivated by consumer demand and increasing legislation to use environmentally-friendly ecommerce supply chains.

To test the hypothesis that sustainability has become not a preference but a necessity for many consumers, we deployed a visually focused primary research panel to a broad consumer audience of more than 1,000 participants. To distance ourselves from random responses, we went further and partnered with Swytchback to collect gesture-

driven responses like swiping left or right to indicate a positive or negative response.

According to our survey, the demand to meet consumer preference for sustainable choices is table stakes and online shoppers have developed their own unique personal sustainability preferences from among an array of eco-friendly shopping options.

Our hope is that you'll use this report as evidence to prioritize the sustainable transformation of your ecommerce supply chain.



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Research Design

The *2023 Annual Sustainable Ecommerce Fulfillment™ Report* survey was systematically designed to collect 1000 responses from online shoppers to test our hypothesis that consumers prefer to purchase from merchants who are committed to sustainable development.

Hypothesis

Consumers prefer to purchase from merchants who signal sustainable development.

Panel Participation

Manifest partnered with Swytchback to run the study using Swytchback's mobile-first platform. Swytchback deployed the survey to a panel drawn from online mobile media networks.

Respondents were intercepted and offered the opportunity to take our survey in exchange for closed-loop currencies native to the particular network or application the respondent was in at the time the survey offer was made (e.g video games). Swytchback targeted a broad audience representing multiple demographics and then filtered the information provided by respondents so that the response data could be analyzed against precise profiles.

Methodology

1. Distribute the 16 question survey and screener to a broad consumer market.
2. Identify participants who also work for an ecommerce brand.
 - a. Identify participants who are responsible for decision-making



We have benchmarked our unique survey design approach against more traditional and expensive survey solutions and have found the data quality to meet or exceed those alternatives. We spontaneously engage respondents as they are living their normal lives in an engaging, mobile and media-first environment rather than collecting data from respondents who have previously agreed to take traditional surveys on a compensated basis. This significantly improves data quality and actionability.



Bruce Bower
CEO & Founder
@ Swytchback



Results

Key Consumer Findings

1. 76% of consumers stated that recycled rather than new packaging would make them more interested in a brand. This sustainable practice was more highly rated than 7 other practices, including obtaining certifications from private and public governing bodies. In other words, consumers, unlike VC and PE firms, usually don't know and don't care if operating an asset-heavy but sustainable physical business is more costly than running an 'asset-lite' program.
2. The top 3 sustainability methods, of 8 options, that would best persuade consumers to purchase were, in order, (1) recycled vs new packaging 2) a switch from plastic to compostable / biodegradable, and (3) a customer friendly carbon calculator. The top 3 most trusted sustainability metrics out of 8 are, (1) amount of plastic eliminated from waterways, (2) transparency in fulfillment practices, and (3) transparency in sourcing.
3. Consumers demand sustainability: 55% of consumers usually consider the sustainability impact of a product instead of choosing the cheapest product and 57% of consumers consider the sustainability impact of shipping more so than the fastest method.

From a group of 1011 US-based online shoppers



Key Merchant Findings



1. Merchants wish to partner with companies that can redesign their supply chain for greater sustainability. Self reported 'decision makers' who work in merchant organizations that ship 1-100K orders per month stated the following three sustainable practices as the greatest attraction of new potential partnership: (1) a switch from plastic to compostable/biodegradable, (2-tie) recycled rather than new packaging and (2-tie) renewable energy sources to power fulfillment facilities.
2. Merchants want to honestly claim and publish sustainability practices as of their own creation rather than as compliance with standards of private or public governing bodies. The single most trusted sustainability metric among decision-makers at merchant organizations processing 1-100K B2C orders/mo hosting <150 SKUs is 'transparency in fulfillment practices' trailed by 'transparency in sourcing' in #2, and a #3-tie between 'plastic kept from waterways' and 'carbon neutral order options'

From a group of 551 decision makers that work in US-based merchant organizations shipping 1,000 to 100,000 orders per month (e.g. small-medium enterprises and mid-market direct-to-consumer brands)

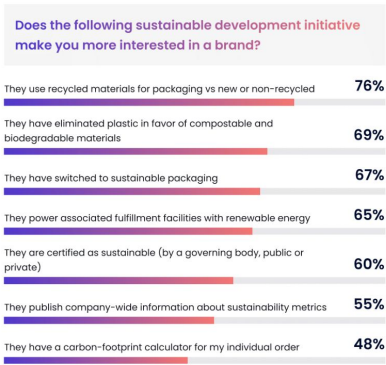
Analysis

Sustainability initiatives impact on consumer behavior

A sustainable order fulfillment transformation for a modern ecommerce business is impossible without sustainable order packaging, published sustainability reports (whether in scientific terms or simplified to be better understood by consumers), and offering sustainable trade offs throughout order checkout procedures.

Each of these areas may require significant investments of time and money from companies who are oftentimes composed of a relatively low number of full time employees. Merchants can better prioritize their sustainability efforts by comparing their existing plans to the most current consumer preferences (See figure 1).

Figure 1. Sustainable Ecommerce Initiatives and Consumer Interest in a Brand



Across the brands I've worked with, packaging is the place most brands begin their sustainability journey. Many brands move into using recycled materials or other lower impact materials. This is becoming table stakes and consumers are demanding more and more transparency from brands. Today, the brands that are truly innovating and capturing the attention of Gen Z and Millennial consumers are ones that innovate by looking at their sustainability holistically, such as performing product-level carbon footprints to understand and reduce their hotspots, or partnering with vendors to reduce the impacts of their facilities, such as increasing on-site renewable energy use. In my opinion, this is the future for all ecommerce brands wanting to stay competitive.



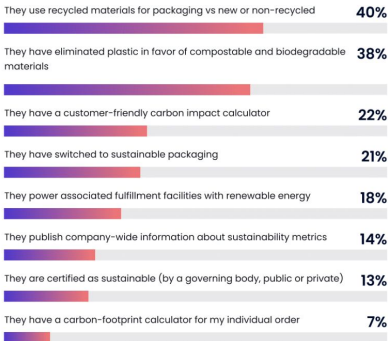
Anisha Gupta
Co-founder
@ Bluebird Climate



According to our panel of 1011 online survey respondents, similar concepts lead to greater sales, not just interest (See figure 2).

Figure 2. Sustainable Ecommerce Initiatives and Consumer Sales Conversion

Which 3 things would most influence you to purchase from a brand?



“

“We can no longer separate our own well-being from that of the world in which we live. This is becoming more evident at a much faster pace than ever before. As a result, consumers are speaking with their wallets and making their wishes clear. Brands that respond will survive and brands that take the lead will thrive.”



Frank Ricciardi
CEO & Founder
@ Maavee

”



Consumer trust and willingness to trade for sustainability

People buy from people they trust. It can be difficult to leverage vendor sustainability without a clear benchmark. Asking consumers which ways are most important to them is a suitable starting point (See figure 3). Combining sustainability efforts that generate awareness and sales with efforts that are inherently trusted by consumers is a powerful combination for your sustainable ecommerce fulfillment transformation.

Merchants have multiple ways to show their commitment to sustainability practices. Which do you trust most?

Figure 3. Sustainable Ecommerce Initiatives and Consumer Trust in Merchant

Merchants have multiple ways to show their commitment to sustainability practices. Which do you trust most?



The question posed to the panel in Figure 3 was "How much do you trust this metric?" with each practice presented one at a time with 5 options shown simultaneously: "Distrust strongly", "Distrust somewhat", "Neither trust nor distrust", "Trust somewhat" and "Trust strongly". The response values above aggregate both "Trust somewhat" and "Trust strongly".



It's no secret that today's consumers are seeking out brands who prioritize sustainable best practices. What these statistics prove is that consumers now demand radical transparency into what impact is actually being made as opposed to highlighting a certificate on the bottom of their website.



Michael Wroblewski

Director of Strategic Partnerships
@EcoCart



It's evident that consumers now have the knowledge and power to make environmentally conscious purchasing decisions. As more companies take the initiative to integrate better sustainable practices, the days of green-washing have taken a backseat. Consumers are forming connections with companies that value purposeful outcomes.



Melanie Carsch

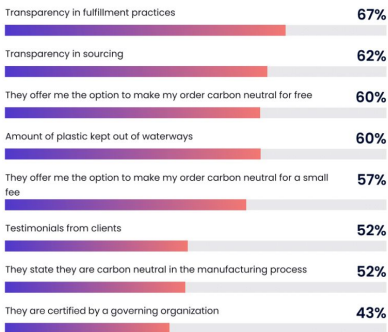
Assistant Director of Sustainability
@Suffolk County Community College



Moreover, brand owners prefer to originate their own sustainable practices and to hold themselves accountable to the standards that they develop.

Figure 4. Sustainable Ecommerce Initiatives and Merchant Trust in Vendor

Vendors have multiple ways to demonstrate their commitment to sustainability practices. Which do you trust most?



The question posed to the panel in Figure 4 was "How much do you trust this metric?" with each practice presented one at a time with 5 options shown simultaneously: "Distrust strongly," "Distrust somewhat," "Neither trust nor distrust," "Trust somewhat" and "Trust strongly." The response values above aggregate both "Trust somewhat" and "Trust strongly."

Consumers have shifting preferences that do not always coincide with an ecommerce brand's long-term strategy involving pre-production of multiple planning documents, research, and development. In addition to matching consumers' interests, purchasing habits, and trust, it is important for merchants to determine how much consumers truly prefer what it is that they're telling you that they want (See figure 4).



This makes complete sense. Certifications are not a catch-all for ecommerce infrastructure vendors displaying their commitment to sustainability. Referrals are great but still require due diligence post-intro. I want to work with vendors who are 100% transparent in how they operate, especially supply chain partners like materials vendors and fulfillment partners. The more they talk about what they are doing that proves their commitment to sustainability and to my brand the better.



Sarah Ribner

CEO & Cofounder
@PiperWai



Consumers demand transparency across the entire supply chain when it comes to sustainability. We're seeing it more and more. Moving forward, it won't be enough for retailers to promote their sustainable products without also providing visibility into their end-to-end sustainable practices including 3rd party vendors and suppliers.



Chantal Emmanuel

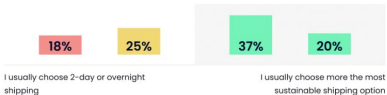
CTO & Cofounder
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Figure 5. Consumer Willingness to Trade For a More Sustainable Ecommerce Initiative

Shipping speed

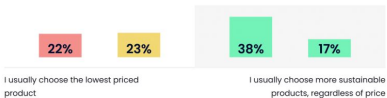
How often do you consider sustainability or environmental impact relative to shipping speed?



Up to 57% may trade shipping speed for a more sustainable shipping option

Product price

How often do you consider sustainability or environmental impact relative to product price?



Up to 55% may trade product price for more sustainable products

Product reviews

How often do you consider sustainability or environmental impact relative to product reviews?



Up to 59% may trade product reviews for more sustainable products



The prime effect is real, but so is the growing eco-conscious buyer. The fact that >50% of shopper cohorts are willing to spend more and wait longer to get a package shows the changing tide in consumer trends. We as consumers, and a society, realize that price and convenience aren't the end all be all buying goods online. The inconvenience, and environmental psychological burden, of multiple packages outweighs the instant gratification of immediate delivery.



Jeremy Horowitz
Managing Partner
@ Because Ventures



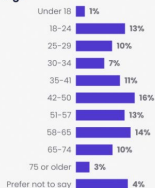
Recommendations

Decision makers working in US-based merchant organizations shipping between 1,000 and 100,000 direct-to-consumer orders per month are advised to:

1. **Compare existing sustainability development and/or broader ESG reporting structures to consumer requirements.** Crafting a plan based on consumer data as the foundation is the best point of origin in optimizing common ecommerce KPIs.
2. **Develop a comprehensive sustainability and/or broader ESG roadmap including a spectrum of initiatives primarily focused on consumer requirements.** Consumers are most interested in improvements that focus on initiatives involving physical assets or materials, not just software.
3. **Continuously re-assess their sustainability and/or broader ESG roadmap to prioritize shifting consumer insights indicated by new data. Practice good judgment while doing so.** For example, leveraging consumer insights in 2005 may have led to Prime's 2 day delivery promise, however a re-assessment in 2022 may have led to offering slower shipping as a tradeoff for more eco-friendly order processing.

Participant demographics

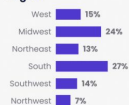
Age



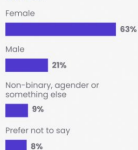
Income



Region



Gender



To learn more about Sustainable Ecommerce Fulfillment™ please go to

www.manifest.eco



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