

RETAIL

Sustainability, returns are key drivers of brand affinity

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Environmental responsibility remains a top factor for brand affinity. Image credit: DotCom Distribution

By NORA HOWE

The COVID-19 pandemic condensed what would have been years of growth and change for retail and ecommerce into weeks, requiring both brands and consumers to adopt new ways of operating.

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In its [2021 Ecommerce Consumer Study](#), logistics provider DotCom Distribution explores pre- mid- and post-pandemic trends and expectations, revealing what has occurred over the past year, and identifies lasting impacts and trends that will carry into the post-pandemic ecommerce space. Brands must embrace sustainability, maintain a robust omnichannel retail presence and make returns seamless to increase retention and shape the ideal customer experience.

"Most surprisingly, we found an overwhelming consistency of consumers' affinity for sustainable packaging," said Maria Haggerty, CEO of DotCom Distribution, Edison, New Jersey. "So much so that it outranked even free samples in terms of features that attract and retain customers.

"It speaks to the importance of not underestimating packaging and unboxing in the user experience."

The study is based on an online survey of more than 1,000 online shoppers in March 2021. Respondents were asked about their behavior, preferences, experiences and expectations pertaining to ecommerce during the pandemic and looking ahead to the future. Subject matter comprised purchasing activity, packaging, shipping, returns, omnichannel experience and sustainability.

Survey respondents were 50.84 percent male and 49.6 percent female, 11.33 percent were 18-29 years old, 34.93 percent were 30-44, 30.7 percent were 46-60 and 23 percent were 61 and older.

Consumer trends

More than half of respondents, 53 percent, reported being more inclined to purchase from a business that supports diversity and racial and social justice initiatives. Unsurprisingly, the majority, 69 percent, of those respondents are part of the Gen Z and millennial cohort.

Additionally, sustainable packaging is a driving factor in consumers' shopping decisions, more so than ethical

sourcing, chemical-free or plant-based products and fuel-efficiency. These factors are catching up in importance, indicating that consumers are starting to think more holistically.



Estee Lauder Cos. is reducing use of plastic wrap in its packaging across brands, including La Mer. Image credit: La Mer

The impact of environmental factors on purchase decisions varies by shopping category.

When it comes to accessories, cleaning products and toys, natural or plant-based products are a key factor. However, when it comes to home goods, clothing, pet products and electronics, ethical sourcing is top of mind.

Almost half of luxury online shoppers, 49 percent, more frequently made purchases from or subscribed to companies that support a circular economy, compared to 31 percent of non-luxury online shoppers.

U.S. department store chain Nordstrom collaborated with secondhand clothing platform Goodfair to launch a monthly vintage clothing shop. The first installment of the monthly shop went live on Jan. 28, selling out within hours.

The collaboration was the retailer's latest effort toward finding innovative ways to implement and maintain sustainability and contribute to a circular economy ([see story](#)).

The study also found that sporting goods consumers are consistently attentive to sustainability efforts, with more than half, 51 percent, supporting a circular economy. Nearly a third, 31 percent, of consumers who purchase sporting goods online credit their preference for boxes over poly bags to boxes being more environmentally friendly.

With the sudden acceleration in ecommerce came innovative omnichannel trends, such as at-home try-ons, live chats or virtual assistants, mailed product samples, shoppable social media and live shopping.



Curbside pick-up and buy online pick up in-store were quickly adopted during the pandemic, and consumers continue to utilize these services. Image credit: DotCom Distribution

DotCom Distribution found that younger consumers are more inclined to utilize these online shopping features compared to their Gen X and baby boomer counterparts.

Fifty-four percent of consumers are invested in utilizing subscription services, delivery apps or both. Of those respondents, 26 percent will continue to utilize subscription services post-pandemic, while only 14 percent said they will continue using delivery apps.

Consumers are relatively divided between wanting to utilize curbside pick-up services, buy-online pick up in-store, delivery apps and remote pick-up locations, so retailers must maintain a strong omnichannel presence to keep up with differing preferences.

Revamping returns

Finally, prioritizing returns will bolster brands' and retailers' bottom lines.

When asked which return policy is responsible for making consumers most likely to shop with a brand online, 86 percent said free returns, 44 percent said buy-online, return in-store and 36 percent said returnless refunds.



Product dissatisfaction drove most returns during the pandemic. Image credit: DotCom Distribution

More than half of respondents, 55 percent, said they would not make a purchase from a brand online if the brand did not offer free returns.

Luxury consumers were more tolerant, with more than half, 51 percent, saying they would still consider purchasing from a brand that did not offer free returns.

According to the research, returnless refunds earned customer retention, as 40 percent of all respondents said this policy made them want to shop with a brand again. After a year of heightened health concerns, 26 percent appreciated that returnless refunds prevented them from having to come in contact with anyone.

Environmentally, 27 percent of all respondents said eliminating return shipping made them feel like the brand values sustainability, a key factor in brand affinity.

According to delivery consolidation service Olive, 75 percent of ecommerce's carbon emissions come from single-use packaging and last-mile delivery, and when retailers offer doorstep pickup of returns, it creates a first-mile return journey that potentially doubles carbon emissions.

In 2019, conservation organization Oceana **estimated** that Amazon generated 465 million pounds of plastic packaging, 22 million pounds of which ended up polluting freshwater and marine ecosystems ([see story](#)).

Patience did not seem to waver during the pandemic, as 50 percent of respondents expected to receive online purchases within three to four days, consistent with pre-pandemic expectations. However, free shipping outweighs fast shipping, as 73 percent of consumers said they would rather receive free shipping and wait longer than pay for faster shipping.

Conversely, luxury shoppers are more willing to pay for faster shipping than non-luxury shoppers, but are also more likely to add items to their carts in order to qualify for free shipping.

"Most online consumers, and certainly those who are purchasing items they want but don't necessarily need, are savvy," Ms. Haggerty said. "They know the ropes, which means they're not going to pass up on the opportunity to spend their money on more purchases they can enjoy rather than shipping fees.

"But they also understand that sometimes, convenience costs a little extra, and in an instance when they need an item by a certain time, that's a cost they can live with," she said. "Luxury shoppers are also value oriented, and see value in paying for faster shipping."

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