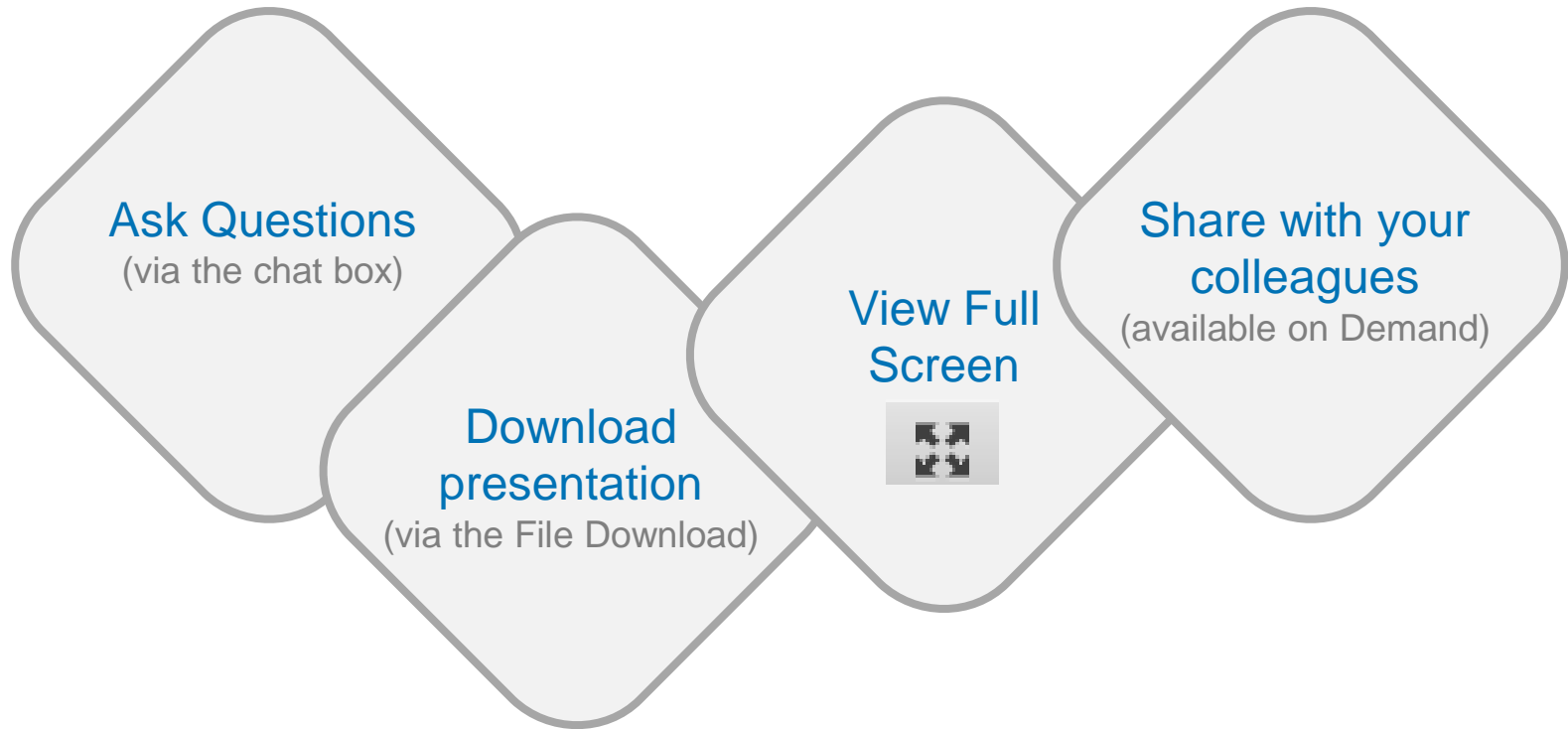




Sustainable Consumption in Asia – Why is it Important, and Do Consumers Care?



Making the most of the webcast



Tell us about your experience to help us improve our future program



Panelists



Anke Schrader
Senior Researcher
China Center
The Conference Board



Dr. Uwe G. Schulte (Moderator)
Leader, Global Sustainability
Centre
The Conference Board



Global Sustainability Centre
The Conference Board

Our purpose



Sustainability Centre

Support member companies to **create long-term value** and **positive impact** through **sustainability integration**

Timely, thought-provoking and relevant research



**Guided by
responsible
standards &
frameworks**

Fact-based

Independent



Defining “sustainable consumption” – the basics

“Sustainable consumption is the consumption of goods and services that have minimal impact upon the environment, are socially equitable, and economically viable. Aggregate consumption is sustainable when it stays within current and future resource limits.”

- Minimal impact on environment
- Socially equitable
- Economically viable
- Within world’s resource limits



Defining “sustainable consumption” – going deeper



How most people view sustainable consumption on an *individual* level:

- Consume less
- Making more environmentally and/or ethically conscious spending choices



Sustainable consumption on an *aggregate* level:

- More equitable consumption
- Staying within earth’s resource limits



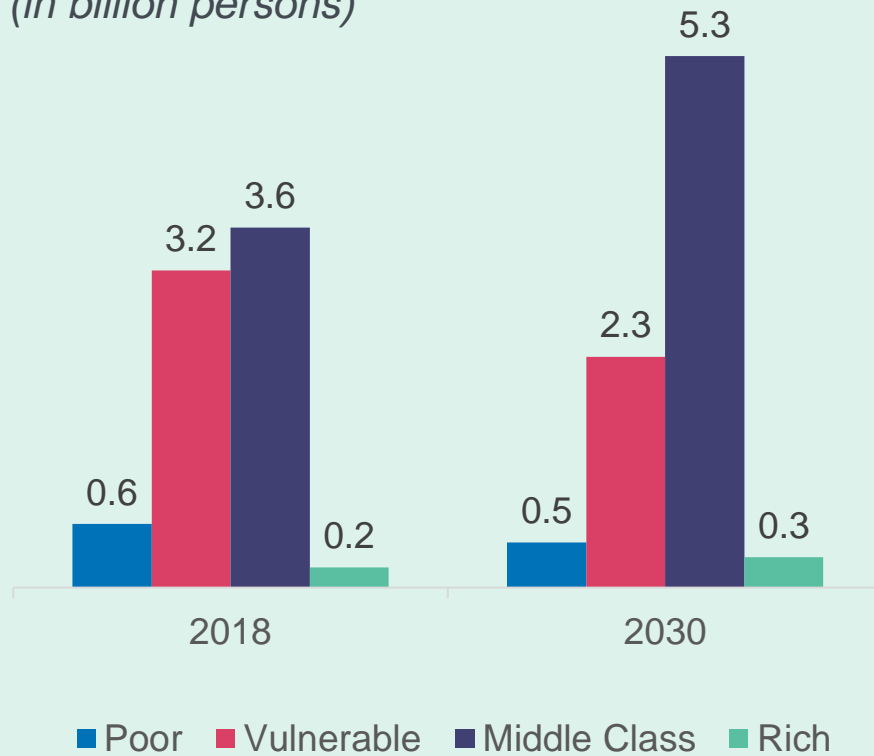
Sustainable consumption is about consuming *differently*

- Curbing consumerism
- Shifting demand towards products and services that have significantly reduced resource inputs and waste, and are socially equitable



The unintended costs of a rising middle class lifestyle

Pre-COVID-19 Predictions of Changes in Global Middle Class Growth
(in billion persons)



Source: World Data Lab, Brookings Institution

- Middle-income HHs...
 - ✓ ...account for largest share of global consumption
 - ✓ ...are the fastest growing consumer segment
- Nearly 9 out of 10 people moving into the global middle class will be Asian
- With this shift in income levels will come a major shift in spending behavior – consumption driven by choice rather than need



Is sustainable consumption on the rise?

CONSUMER EXPECTATION

81%

“Companies should help to improve the environment”

Almost **universal agreement** in emerging markets

SHIFTS IN MARKET SHARE

4x

Higher 2014-18 CAGR of US sustainable FMCG product sales than conventional products

2x

of EU Ecolabel products since 2016

PRODUCT SEGMENT STRATEGIES

69%

Faster growth in 2018 of Unilever’s Sustainable Living Brands than the rest of the business

71%

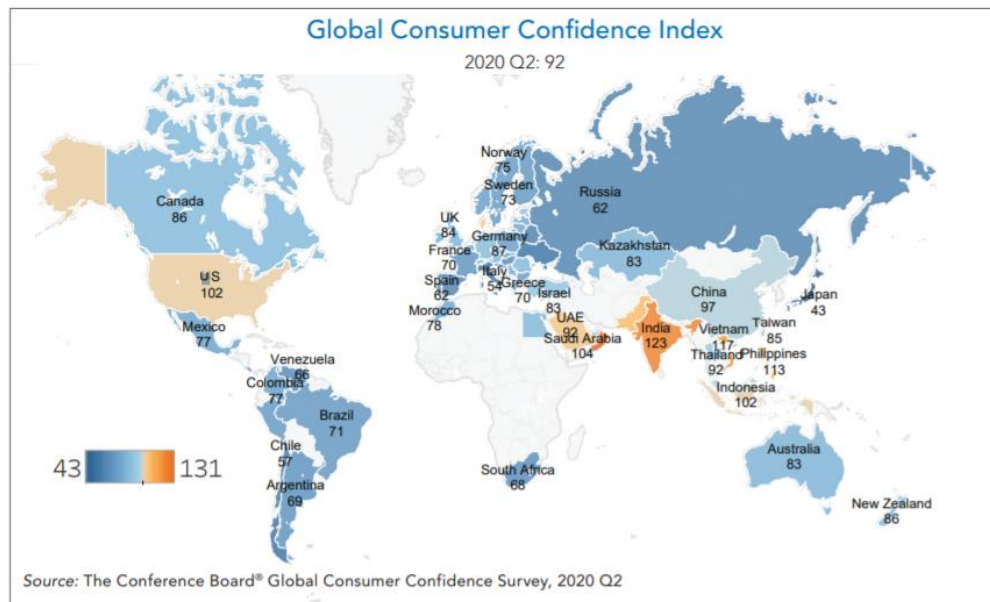
Increase in “green product” purchases made on JD.com in 2017

Sources: The Conference Board, Nielsen, EU Ecolabel, Unilever, JD.com

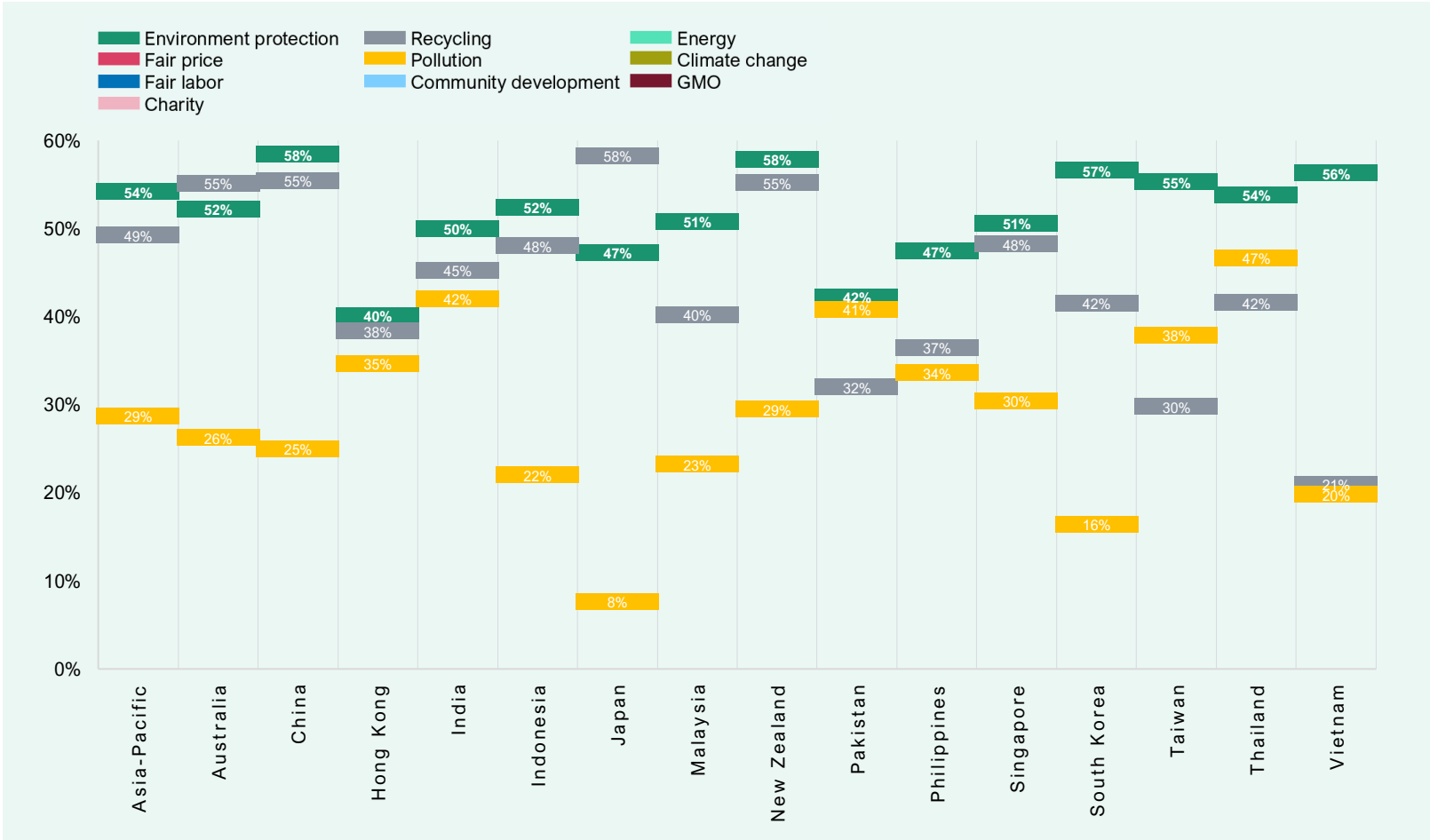


The Conference Board® *Global Consumer Confidence (CCI) Survey*, conducted in collaboration with Nielsen

- Covers quarterly more than 30,000 consumers in 64 markets
- This analysis spans 14 Asian markets 500 respondents each, representative of the market's online population by age and gender



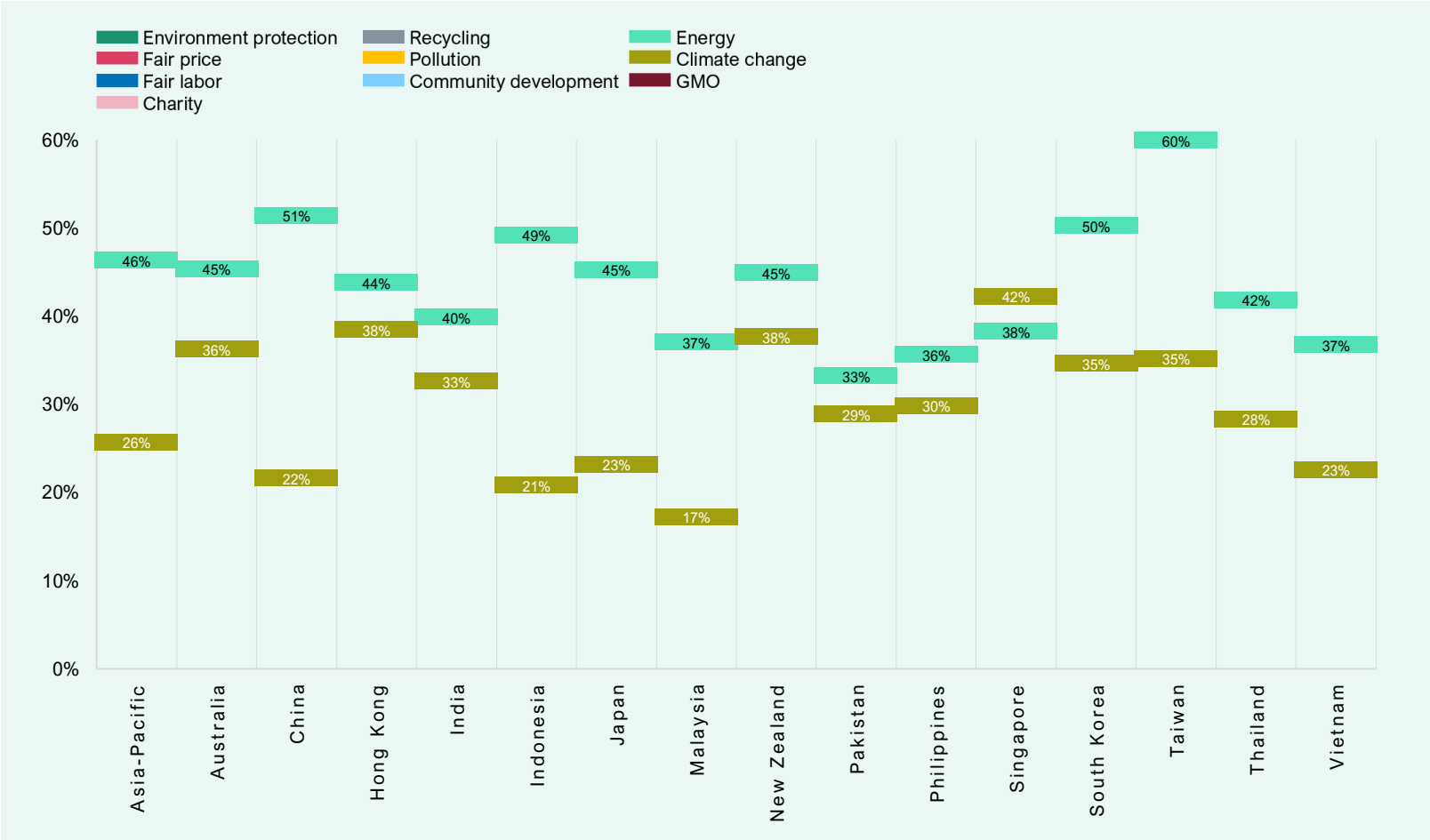
What topics do consumers in Asia associate with sustainable products?



Source: The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen.



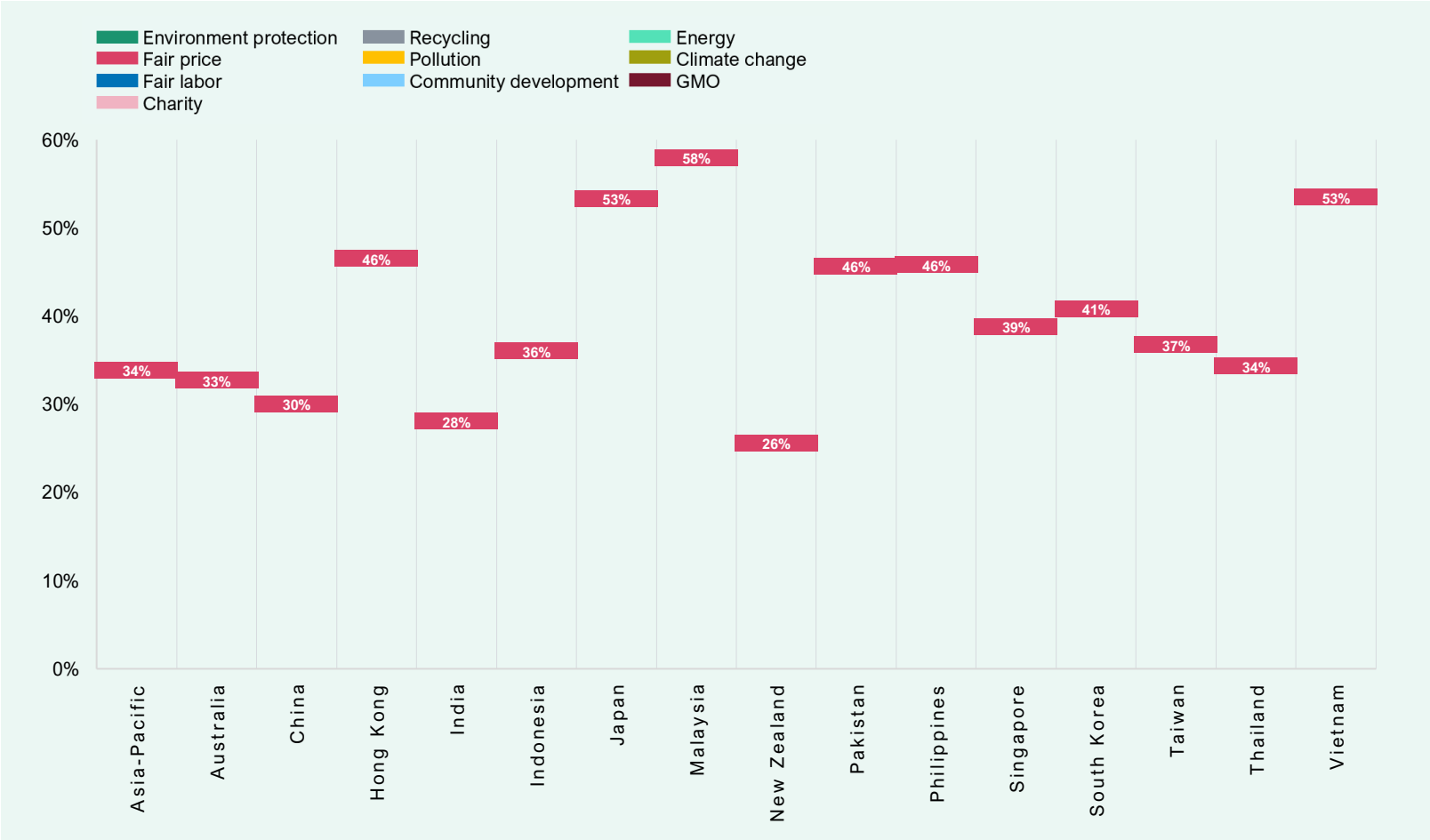
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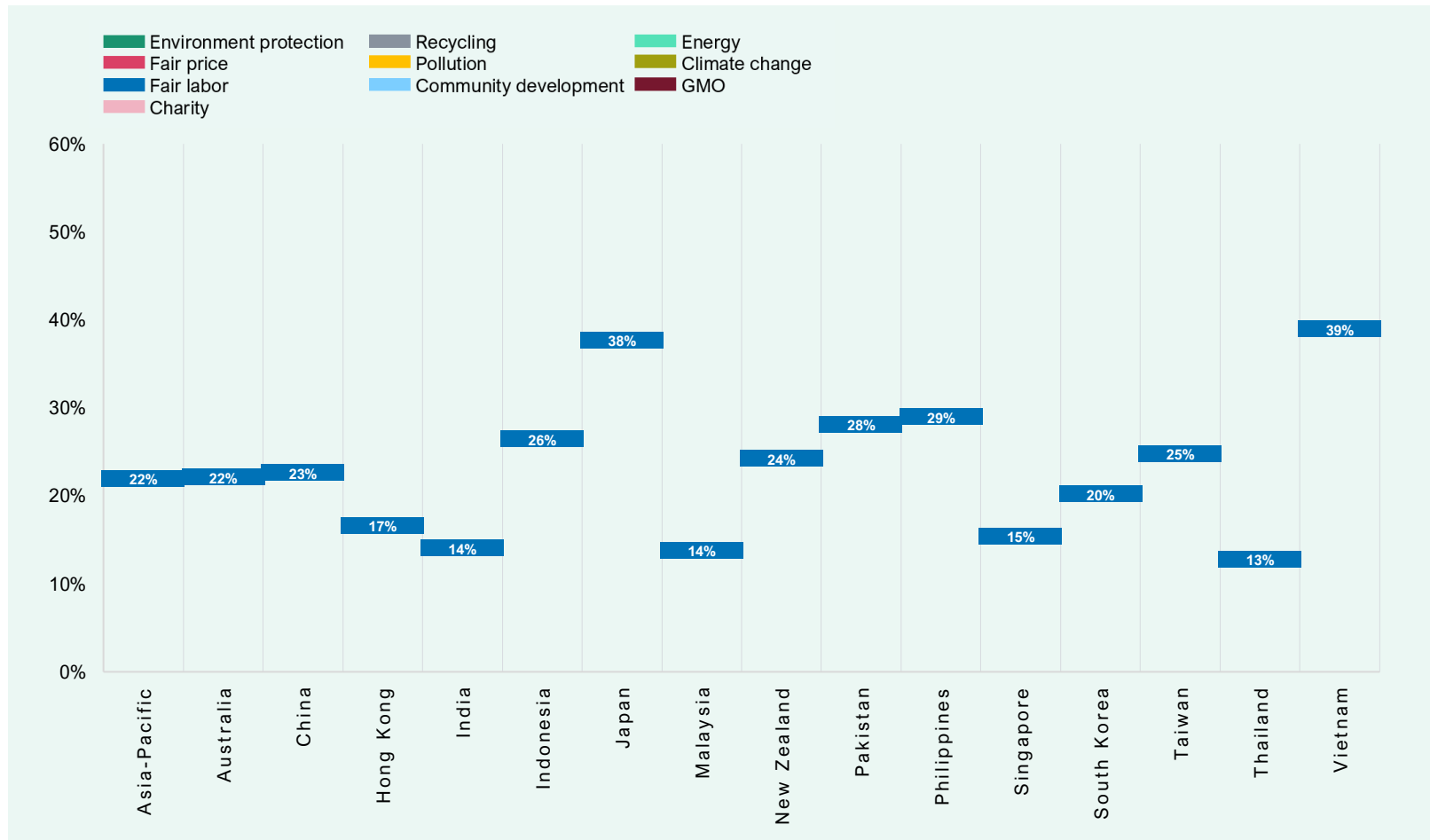
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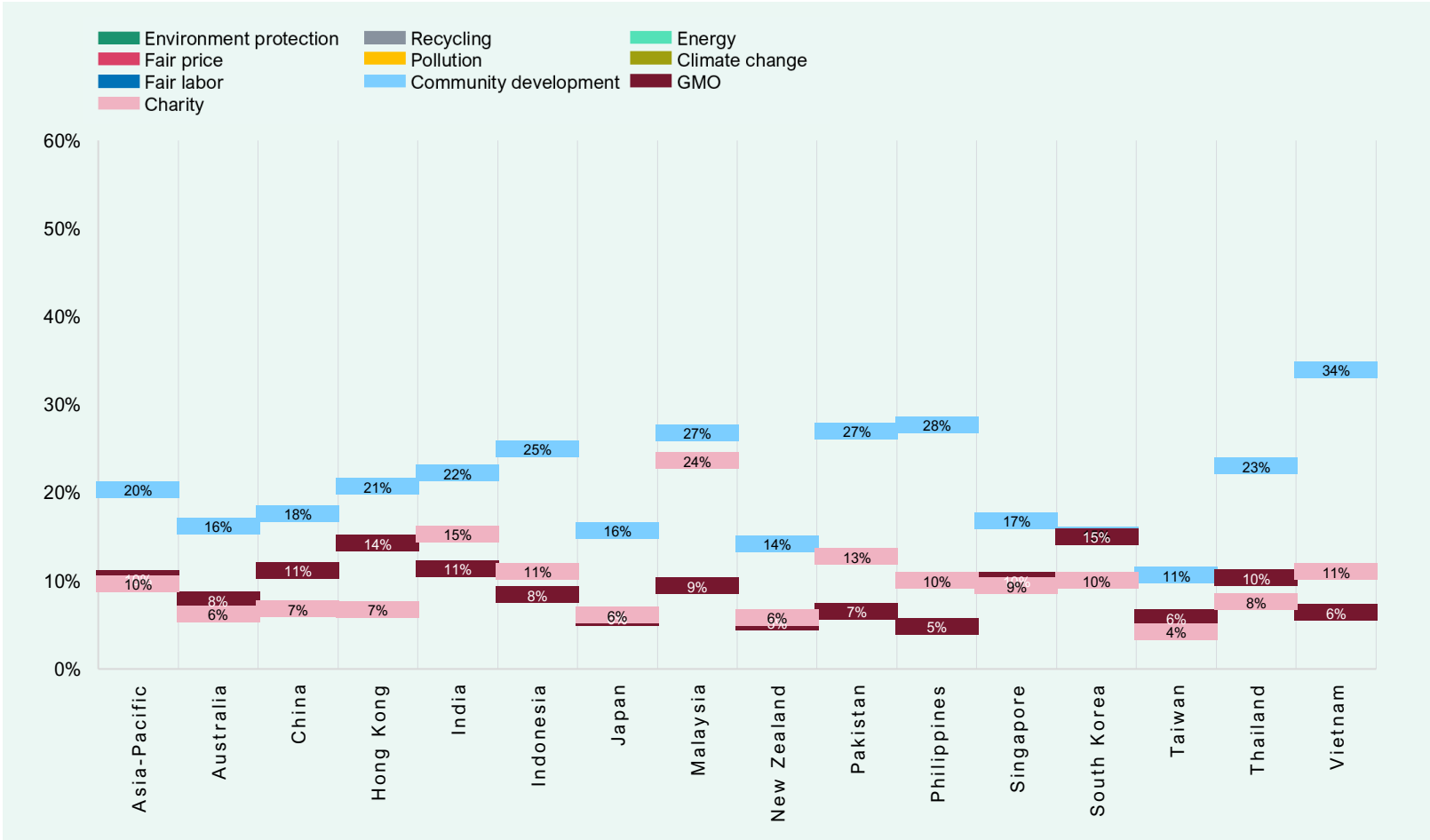
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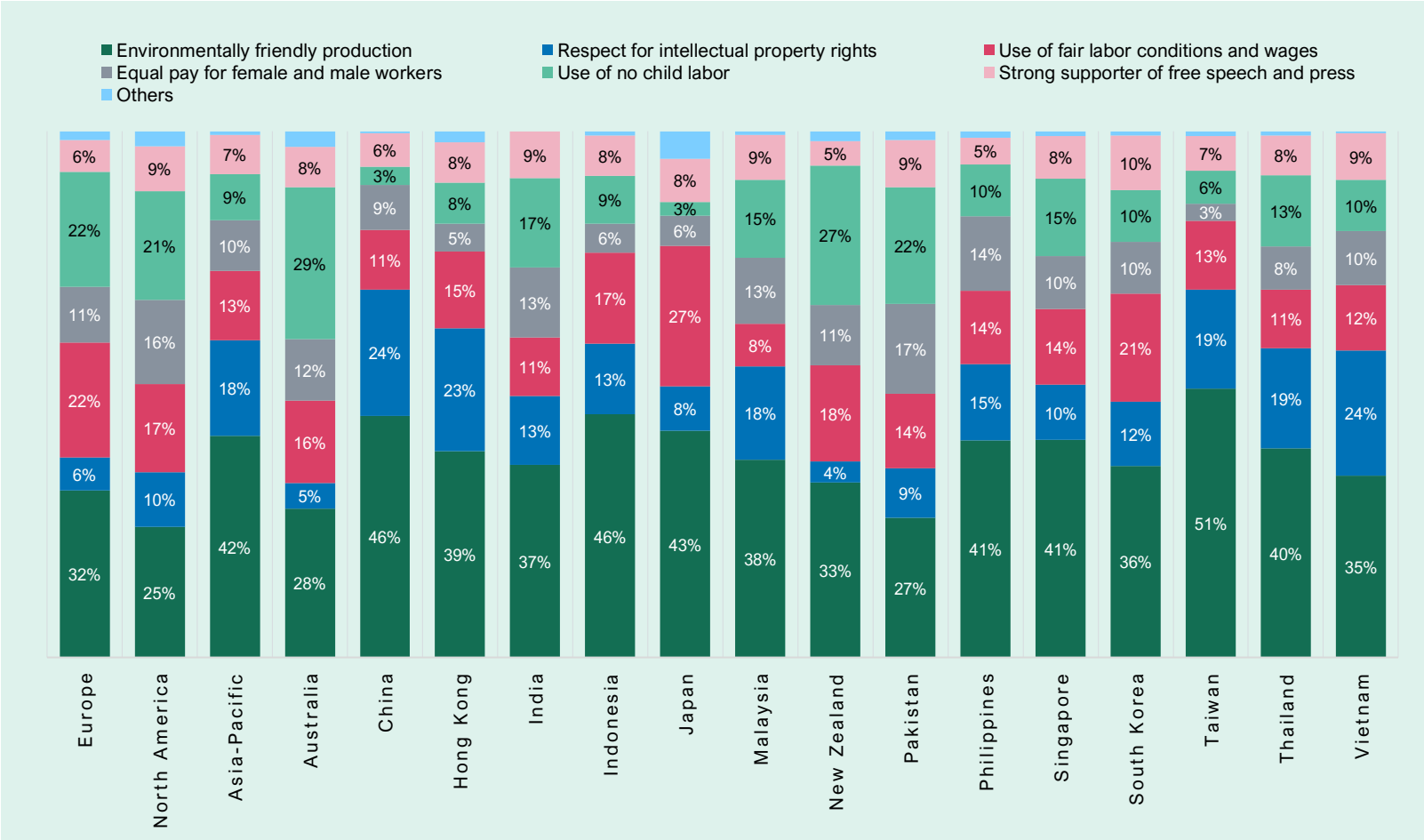
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What sustainability factors influence brand choices?

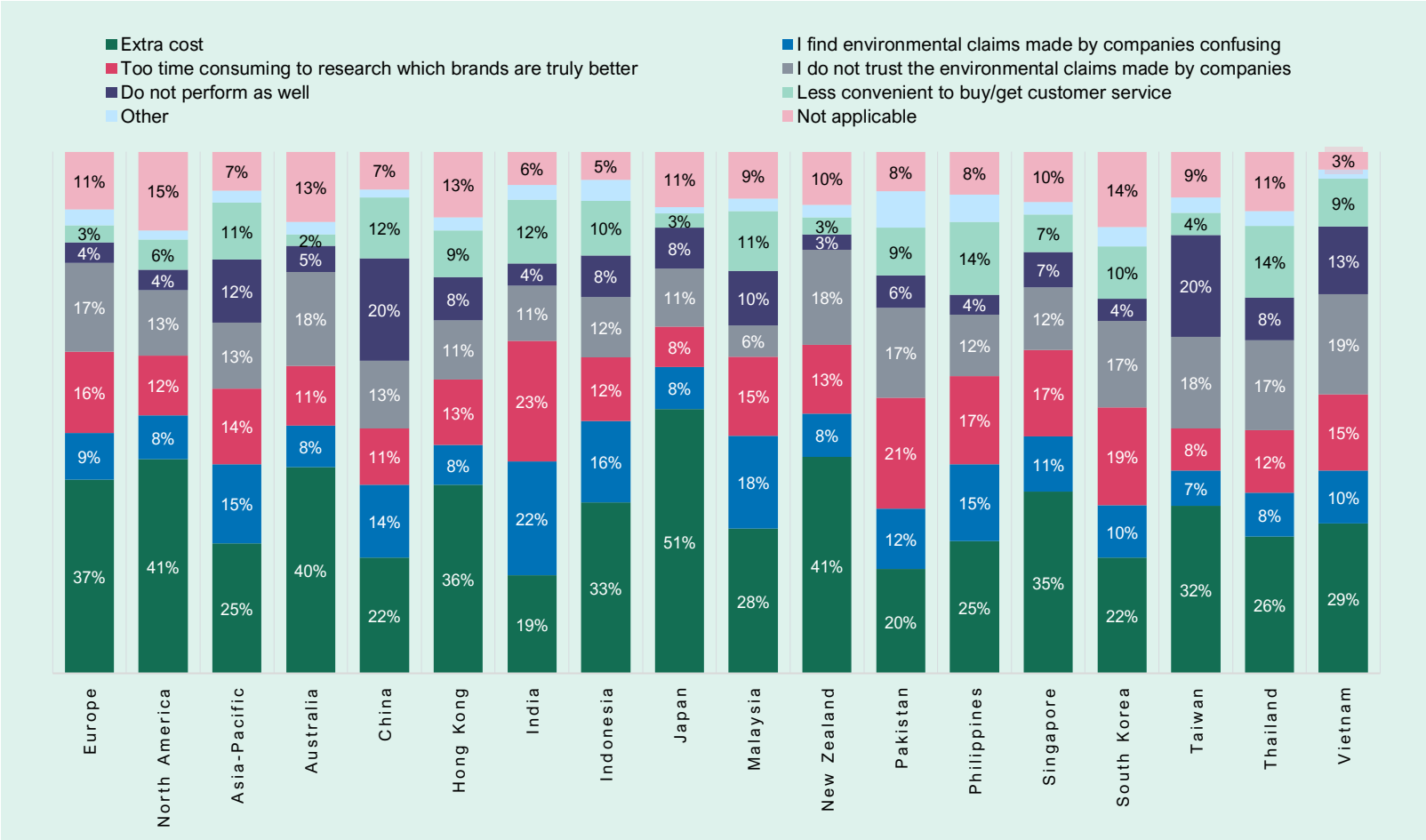


Source: The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen.



What are barriers to buying sustainable brands?

Sustainability claim: Better environmental practices

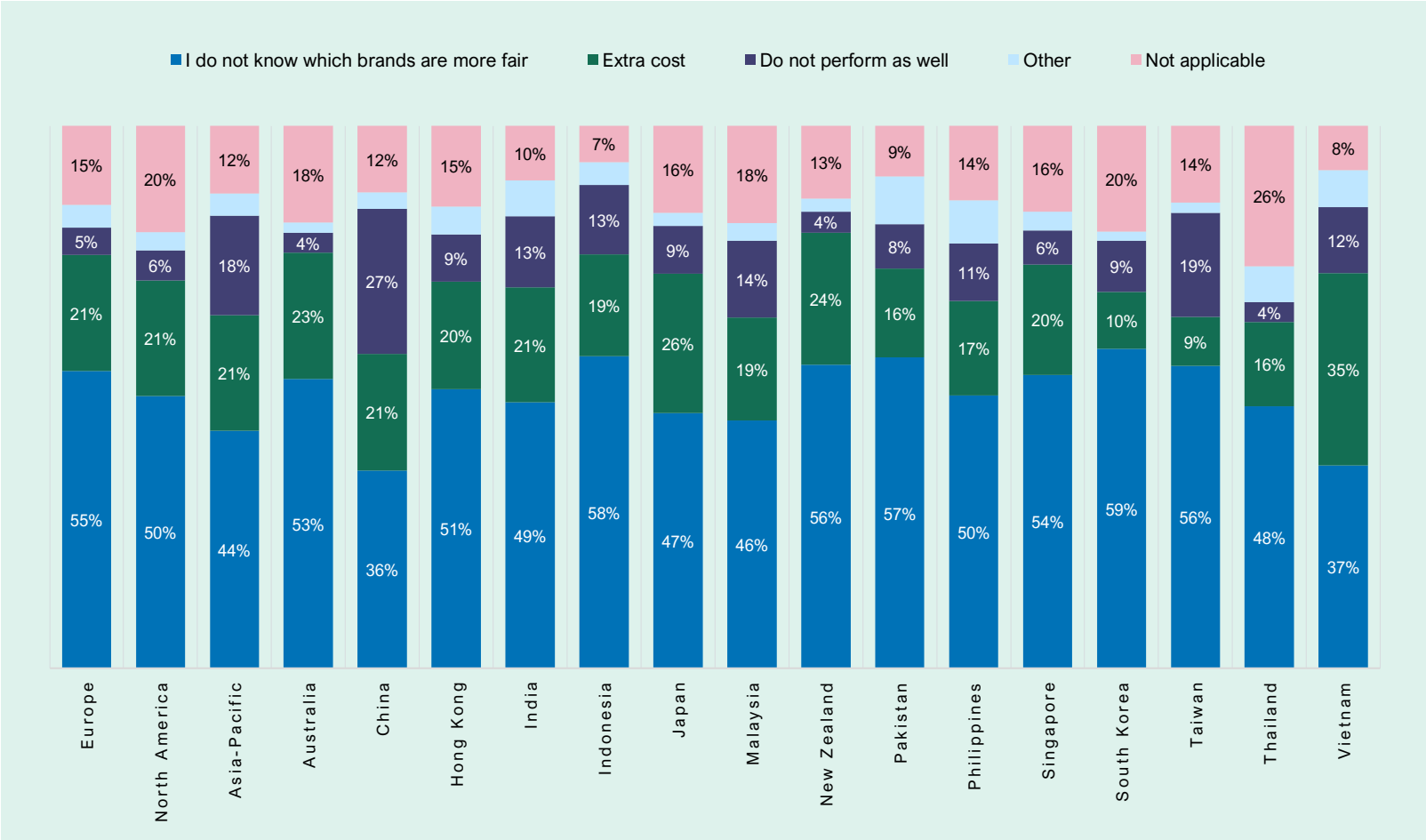


Source: The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen.



What are barriers to buying sustainable brands?

Sustainability claim: Fair labor conditions / wages

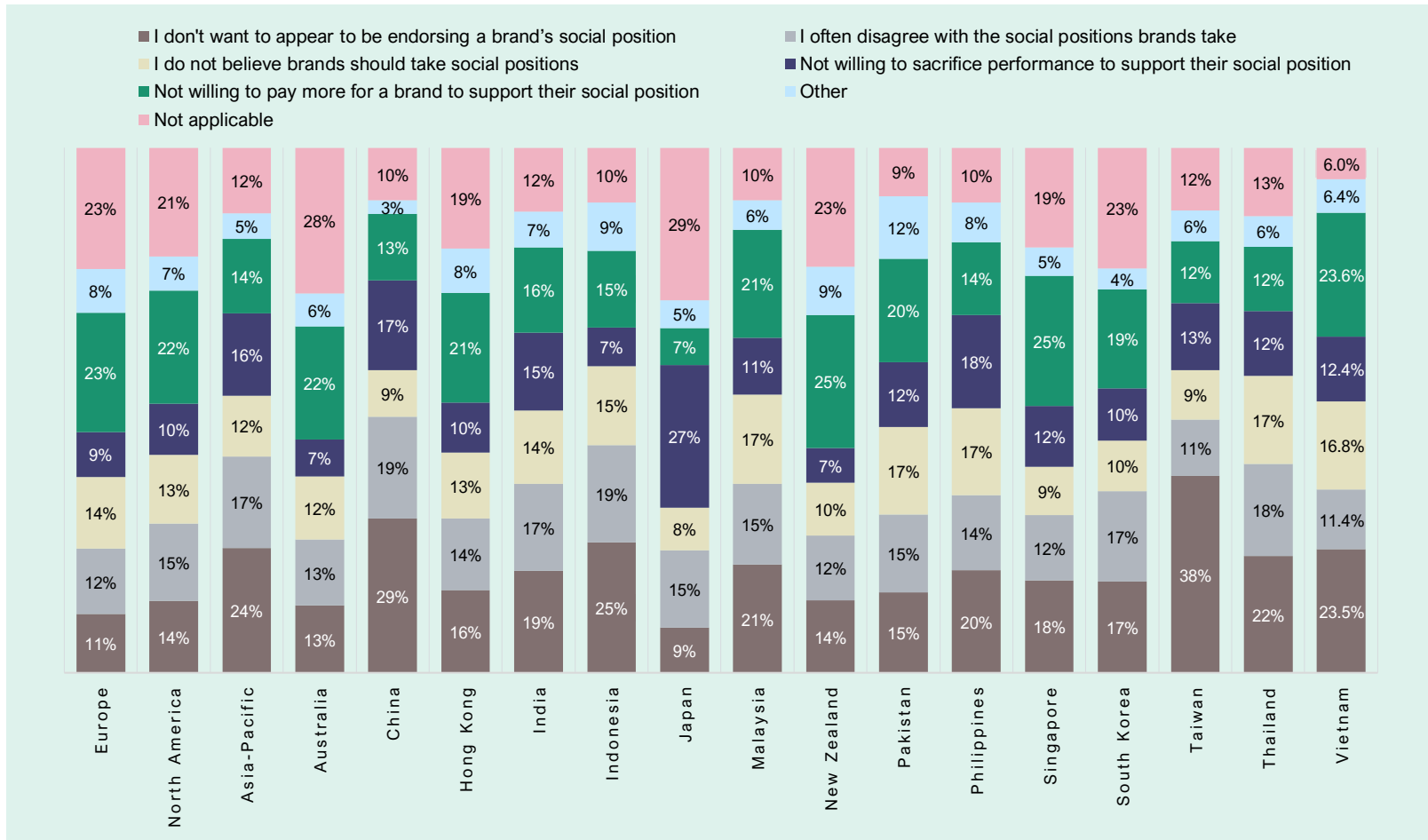


Source: The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen.



What are barriers to buying sustainable brands?

Sustainability claim: Strong positions on social causes



Source: The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen.



Why consumers switch brands when they consider sustainability attributes



Source: The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen.



Key takeaways

1. For consumers there is no common definition of “sustainable product”.
2. Eco-friendliness resonates most broadly with Asian consumers; but it also has the highest price sensitivity.
3. The majority of consumers don’t associate sustainable products with fair labor practices.
4. Support of social causes is a tightrope walk that can either motivate or demotivate purchases.
5. Asian consumers are more easily swayed by company practices than their counterparts in Europe or North America.



Do you want to know how executives in your position at other companies are navigating similar challenges?

ASIA COUNCIL PROGRAM – SUSTAINABILITY

Asia Sustainability Leaders Council | Next Meeting: November 19-20

China Sustainability Leaders Council | Next Meeting: November 12-13

HOT TOPICS

- Integration of Sustainability Principles into Company Strategy and Operations
- Governance of Sustainability Strategy
- Sustainability Measurement and External Reporting
- Establish the Business Value of Sustainability
- Utilizing Sustainability for Employee Engagement and Employer Branding
- Sustainable Product / Service Innovation
- Digital Transformation and Sustainability
- Circular Economy Concepts
- Carbon Management/Carbon Price
- SDG's Implementation, Globally and Across Asia

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DANAHER

BRIDGESTONE

Cargill

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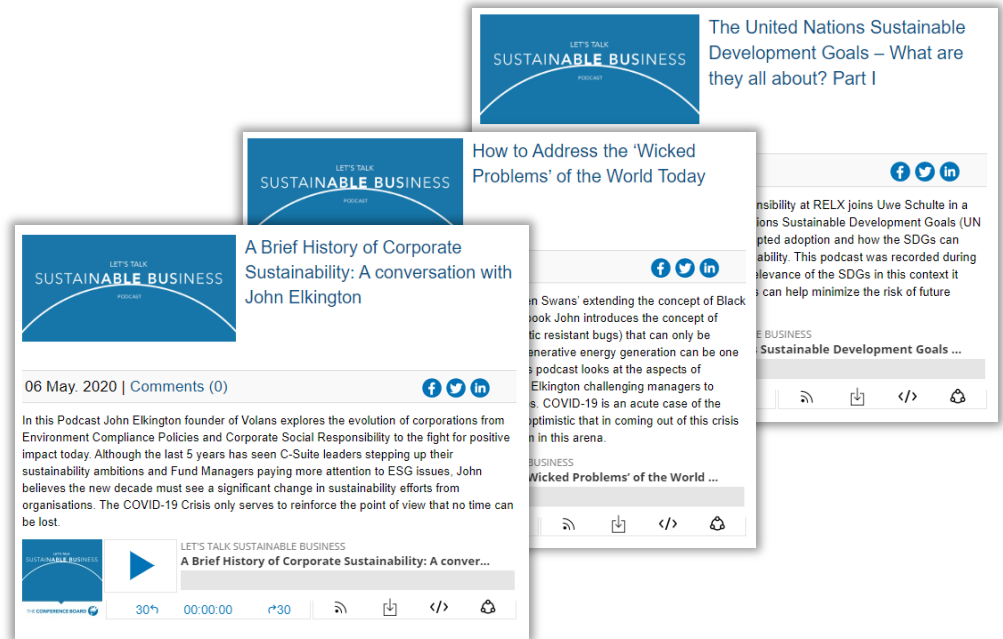
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