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Conscious Consumerism

Understanding the dilemmas of today's consumer

MAKING AN IMPACT THAT MATTERS since 1845

Deloitte commissioned a consumer survey about consciousness in daily consumption of products and services in the Netherlands, across more than 2,000 Dutch consumers. This research aims to offer insights into consumer behaviour, the balancing act they face between affordability and sustainability when making purchases, and their perspectives on whose actions drive the most impact on change.

Contents

Foreword

In the last 50 years we have seen the rise of consumerism. A word that has gained a negative connotation over time. Basically, it refers to over-consumption in order to fuel the economy, and to consumers who keep craving for more - at the lowest price possible, and without regard for the world they are living in.

But times are changing. A little more than a year ago Deloitte commissioned a food & retail survey regarding health and sustainability in 15 European countries[1]. The title of the report is quite meaningful and hopeful: "The Conscious Consumer – Connecting with health and sustainability priorities". Its results show that health and sustainability matter increasingly more to European consumers, next to convenience and affordability. It seems that we are moving from complacent (over)consumption to "conscious consumerism", with consumers making more conscious decisions about what, why and how to buy products, and which type of companies and brands to support in terms of money and time.

In November 2022, we commissioned a new survey, narrowing our focus to the Dutch market while widening our scope to all consumer industry segments[2]. More than 2,000 Dutch respondents participated, offering valuable insights into what drives Dutch consumers. How much do they value health and sustainability, at what cost? What are they willing to do to reduce their footprint, and what do they expect from the government, regulators, and consumer industry?

The results show that as a society, we're not quite there yet. There seems to be an "intention–action gap" between what people say and what they actually do. Narrowing or even bridging this gap is essential – for our planet, our society, and for businesses as well, if they want to remain relevant. The good news is: we can all play a role in bridging that gap – consumers, businesses, government and regulators.

According to the survey results, consumers expect government and businesses to help them make a change to more conscious consumer behaviour. For instance, they want businesses in the consumer industry to be more transparent. The results of the survey indicate that this is not just a matter of labelling. Apparently, in the minds of the majority of Dutch consumers, labelling is associated with marketing - and even greenwashing - rather than with trustworthy product information.

To be honest, I was a little surprised by this outcome, because labelling the sustainability impact of a product or service is extremely relevant. It enables consumers to make conscious choices. So maybe we need to put more effort

into accurate labelling. The challenge for consumer-oriented businesses is to report about the level of sustainability in the entire value chain – not just to the authorities, but also to each other, and ultimately to the consumer. Creating such a level of transparency requires a high level of data quality and analytics, including uniformity of measurement and interchangeability. That is a major challenge, but it is crucial for companies that want to remain relevant in today's society. "Green" must be quantifiable.

The survey contains valuable information for government and regulators as well. A majority of Dutch consumers feel that subsidies and/or taxes – for e.g., organically produced or sourced products, promotion of hydrogen for cleaner heavy vehicle traffic, and more eco-friendly types of mobility - could enhance conscious consumerism.

As Deloitte, we also want to play our role to contribute to the growth of conscious consumerism and to a more sustainable society, directly and indirectly. On the one hand, we advise organisations in the public sector about societal issues, and help our clients in the consumer industry to embed sustainability into their organisations, processes, products and services[3]. On the other hand, we want to make a more direct impact on society as well. For instance, with our 'Journey to Net Positive' initiative[4], which includes leaders from the big brands, retailers, food ingredients manufacturers, as well as regulators, NGOs and other parties. Together we discuss how to make a positive impact on the entire food value chain, and eventually on our planet.

Turning consumerism and over-consumption into conscious consumerism is a joint effort for all of us. Hopefully we will be able to further increase awareness of the impact of what – and how much - we consume, so as a society, we can solve the dilemmas of today's consumer, and finally find the balance between our roles as consumers and citizens.

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1. Introduction

The "conscious consumer" and the Dutch

Consumer behaviour changes rapidly, and often in unexpected ways. In order to make successful strategic business decisions, companies need to anticipate and respond to shifts in consumer needs and preferences. Recently, we have seen the rise of Conscious Consumerism. This trend refers to the increasing number of consumers who are making conscious choices about what, why and how to buy products and services, and which companies and brands they are going to support with their money and time. How does this trend impact the buying behaviour of Dutch consumers?

In November 2022, we commissioned a consumer research that allowed us a peek into the minds of Dutch consumers. We were anxious to find out how concerned they are about the planet and society. Are Dutch consumers truly making more conscious choices — or are they just saying that they are? For instance, to what extent are they willing to pay extra for healthier or more sustainable products? And to what extent are they looking at other parties – manufacturers, retailers, government, regulators – to enable them to make more conscious decisions?

Dutch consumers and their main concerns

What the results of the research show, is that climate change definitely worries Dutch consumers, especially the youngest generation (Gen Z)[5]. They are concerned about the long term impacts of climate change on their future society. However, climate change is not the main concern of Dutch consumers. An overwhelming majority of respondents are currently most anxious about inflation and a looming recession. Millennials especially, worry about the present and the near future. This is followed by a concern about geopolitical instability, driven by the war in Ukraine, which was often mentioned by the older generation (Baby Boomers) - maybe because they grew up in a post-war society and have witnessed the financial and emotional costs of war before. Climate change is the third most important concern. See also figure 1 below.

When it comes to the environment and climate change, Dutch consumers are 4 times more concerned about plastic pollution and 2 times more concerned about deforestation than they are about water pollution.

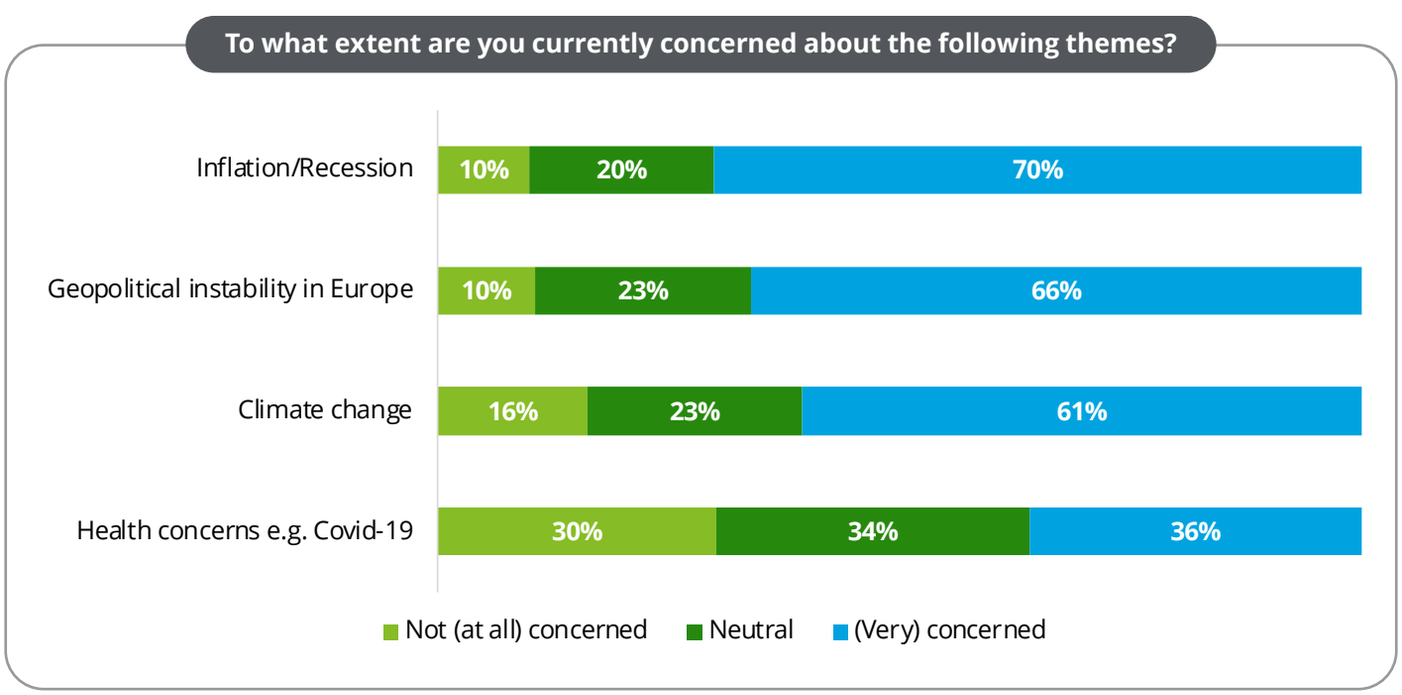


Fig. 1: Main concerns of Dutch consumers

Price vs. sustainability

However, Dutch consumers are not necessarily willing to pay more for sustainable products, especially in the current economic climate. Across products and services, they are experiencing the burden of high prices and would opt for more affordable options. For instance, more than 7 out of 10 Dutch consumers would choose the cheapest product even if it's not sustainably sourced or manufactured. Price is a key factor to the Dutch anyway - they also prefer cheaper private label alternatives to A-brands. See figure 9 in chapter 3. Similarly, when it comes to travel, the majority of Dutch consumers will not make sustainable choices if these are more expensive. See figures 13 and 14 in chapter 4.

It seems that many consumers are willing to make more sustainable choices, but the cost of living is a major obstacle. This is supported by the fact that 63% of Dutch consumers mention price as the biggest barrier for making sustainable and ethical purchasing decisions, followed by lack of trust, unavailability and lack of information. See figure 2 below. The higher price of sustainable alternatives is three times more of a barrier than the other factors. The findings are supported by the Deloitte article "The cost of buying green"[6], which states that green premiums will likely become unsustainable for consumers who are facing increasing financial challenges.

The results of our current study also show that a dip in sustainable shopping is not just about how many consumers are buying green - but also about who. Higher-income consumers (€50,000 and up) are more likely to ignore the higher price tags associated with sustainable goods. There are notable trade-offs between sustainability and price. As businesses look to pass on inflationary pressures to consumers, there is an opportunity to do so disproportionately toward less sustainable choices - inflating the prices of unsustainable goods and services while holding firm on sustainable products and choices.

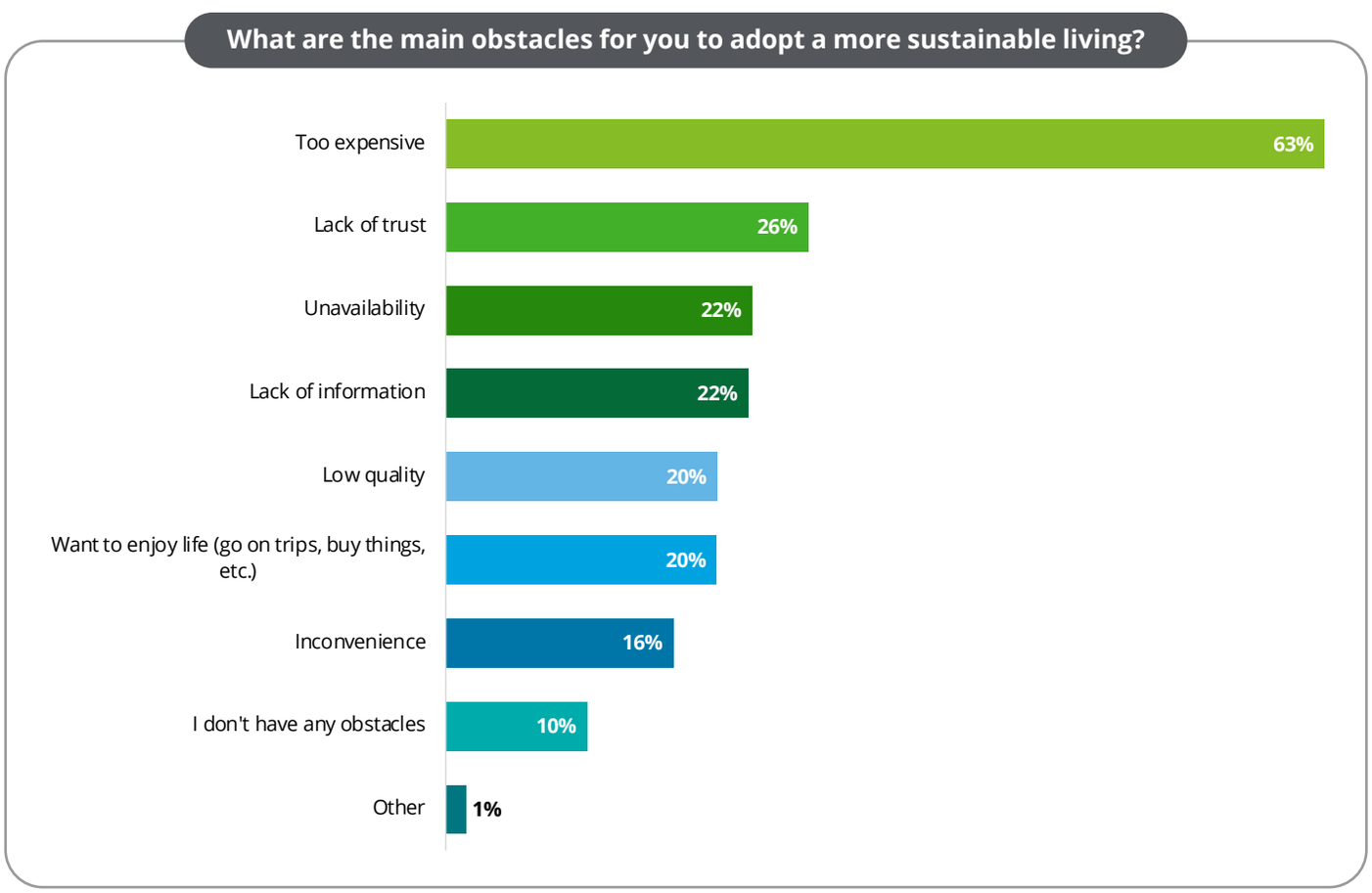


Fig. 2: Main obstacles for adopting a more sustainable lifestyle

The Dutch and durability

What makes a product or service sustainable in the eyes of Dutch consumers? Apparently, durability and using natural and/or recycled materials are key. See figure 3 below. This could be an incentive for manufacturers and brands to produce quality products that will last and that are not for single or limited use. As a consequence, the majority of Dutch consumers are willing to pay extra for durable products and services.

In fact, 76% of consumers would pay more, and 43% would even pay 10% or more for durability. See figure 4 on p. 8.

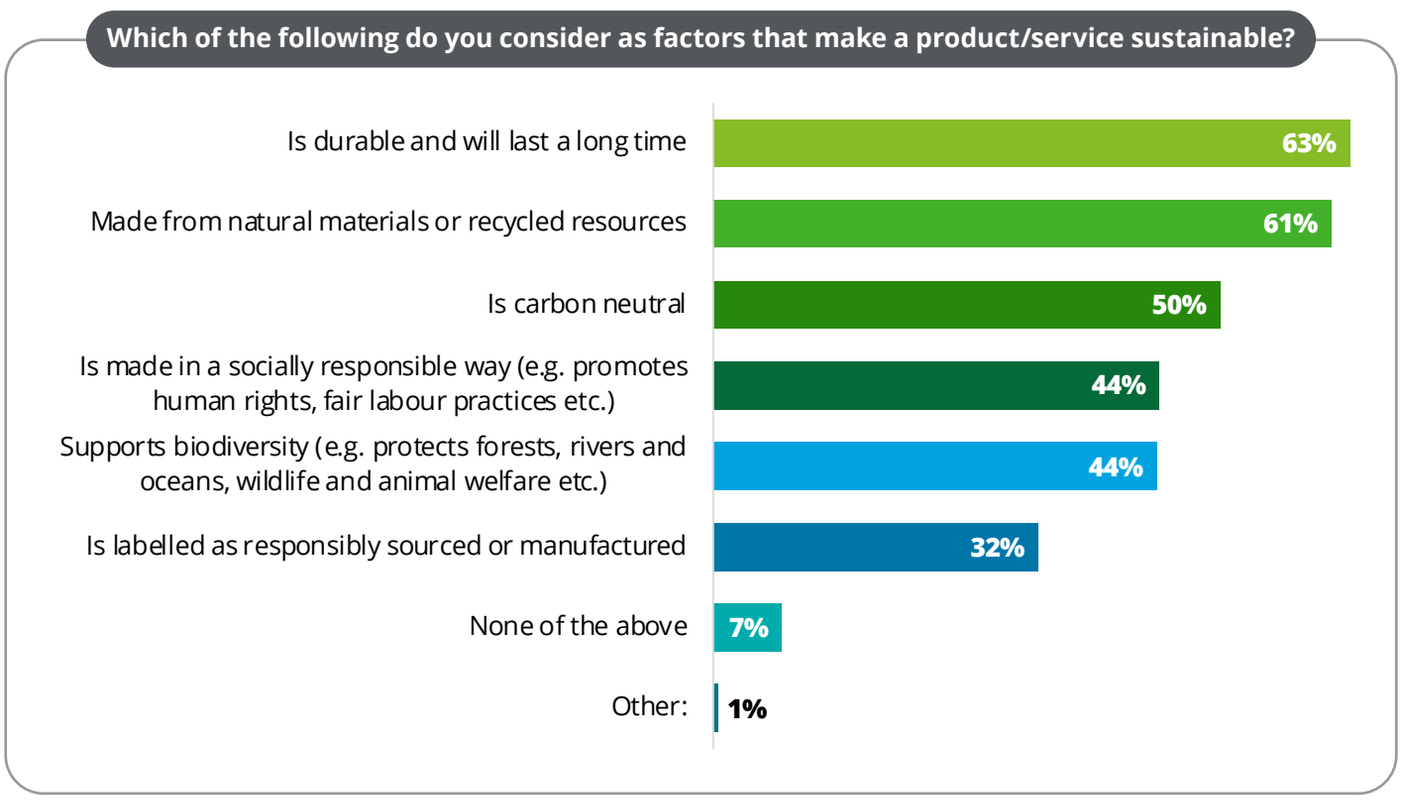


Fig. 3: What makes a product or service sustainable?

Labelling: lack of understanding or trust?

The results are quite different for "labelling". Surprisingly, when a product is labelled as responsibly sourced or manufactured, only one in three consumers will actually consider it to be sustainable. See figure 3 above. The majority is not willing to pay extra for labelling (figure 4 below). In fact, the willingness to pay extra is lowest for products and services that are labelled as responsible, so it appears that consumers don't always fully understand or trust labels.

Clearly, there is an opportunity for businesses and regulators to delve deeper into this matter and to increase awareness. The clearer the label, the more trustworthy, and the higher the willingness to pay. Sustainability information – about brands as well as the corporates that own them - should be more clearly communicated and its relevance should be explained better to the consumer. This includes transparency about the level of sustainability in the entire value chain. Creating such a level requires a high level of data quality and analytics, including uniformity of measurement and interchangeability. Consumers need to know every little detail about production and transportation of each and every ingredient of a product in order to make a conscious decision. "Green" must be quantifiable. That is a major challenge, but it is key for companies that want to remain relevant in today's society.

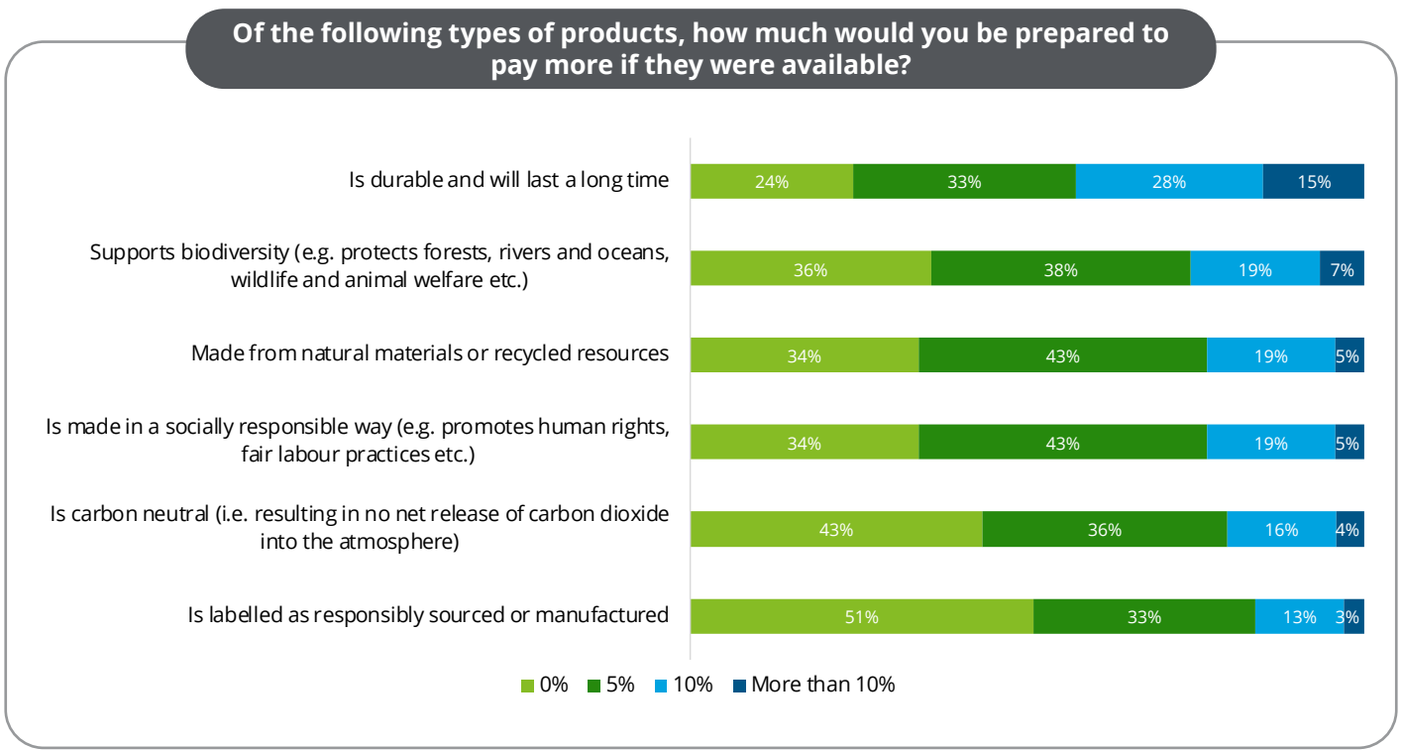


Fig. 4: Willingness to pay extra for sustainable features

Sources of information: how to live a more sustainable life

Consumers in The Netherlands are very much interested in living a more sustainable life. Our survey shows that 74% of the respondents are actively searching for information about this topic. But what is interesting, is the sources they use and how they look at the current role of brands. So where do consumers look for information on living more sustainably? For 51% of them, the internet (websites and search engines) is the key source, followed by books, magazines and newspapers (27%). Social media, including influencers, are an important source of information for younger generations (Gen Z and Millennials) as well as for people living in highly urbanised areas. Only 18% of respondents consider brands (including manufacturers and retailers) as a source of sustainable living information.

Next, we investigated the trustworthiness of these sources in the eyes of the Dutch consumers. As shown in figure 5 below, experts are perceived as the most trustworthy for providing advice about sustainable living. Despite the fact that the majority of respondents use the internet as their primary source, only 28% consider this source as the most trustworthy of all options. For brands, the most interesting outcome is that only 6% of Dutch consumers consider them as the most trustworthy for sustainable living advice. This is a surprisingly low number, as brands are the providers of the majority of products and services consumed. There is a lot to be done if they want to win the trust of their consumers and help them adopt a more sustainable lifestyle – even in the current economic climate.

Last but not least, consumers in their role as citizens feel that individuals should be more conscious and make more positive changes to environmental sustainability. However, throughout the study it appears that they do not put the burden squarely on themselves. The majority claims that businesses and government can drive the transition to a more sustainable society by means of their operations and legislation.

In the next chapters we will discuss the results per Consumer industry segment. Are there any differences in (conscious) consumer behaviour between Retail, Consumer Products, Transportation & Hospitality, and Automotive - and if so, which differences?

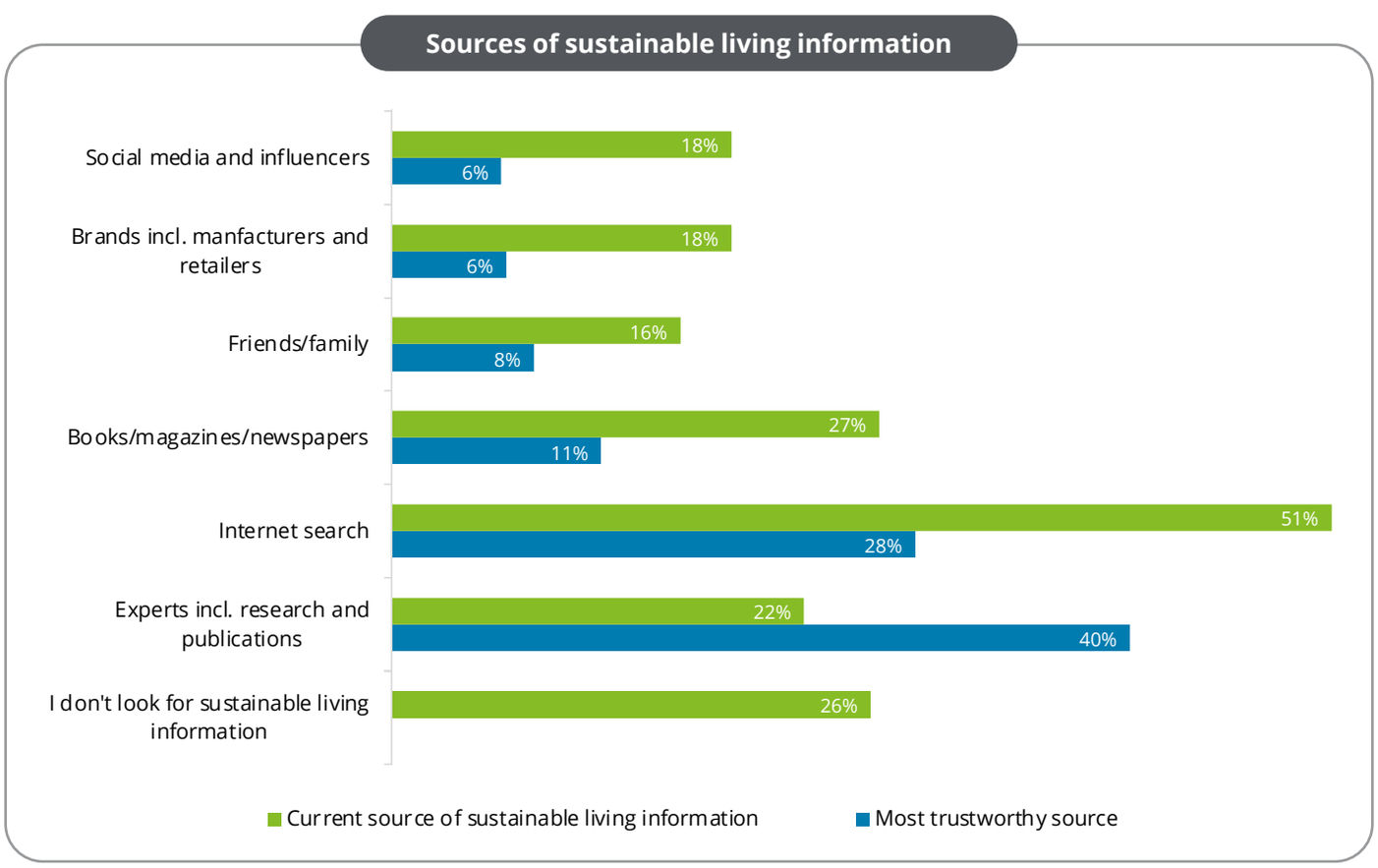


Fig. 5: Sources for sustainable living: internet most used, experts most trusted

2. Retail

Balancing personal benefits and common interests

In the second half of 2021, Deloitte commissioned a food & retail survey regarding health and sustainability in 15 European countries[7]. Its results indicated the rise of the conscious consumer, who is making conscious choices about what, why and how to buy products and services. The current survey provides insights into the drivers behind this conscious consumer behaviour. What are the basic priorities of consumers, especially in the current economic climate? Do they make choices based on common interests, such as society and the environment, or are their decisions based on personal benefits? And: what does this mean for the retail sector in terms of products, services and channels?

Affordability is the number one priority

The survey shows that the price of a product is more important to Dutch consumers than sustainability. In the current economic climate, 7 out of 10 will buy the cheapest product, even if it's not sustainably produced or sourced. See figure 6 below.

Contrary to the popular opinion that younger generations are more concerned about climate change and other environmental issues, the number is even higher for Millennials and Gen Z - almost 8 out of 10. Younger generations usually consider themselves as more eco-friendly, but apparently this does not always translate into their buying behaviour.

Then again, they are usually less affluent than older generations, so there could be financial constraints that are holding them back from more eco-friendly purchasing habits.

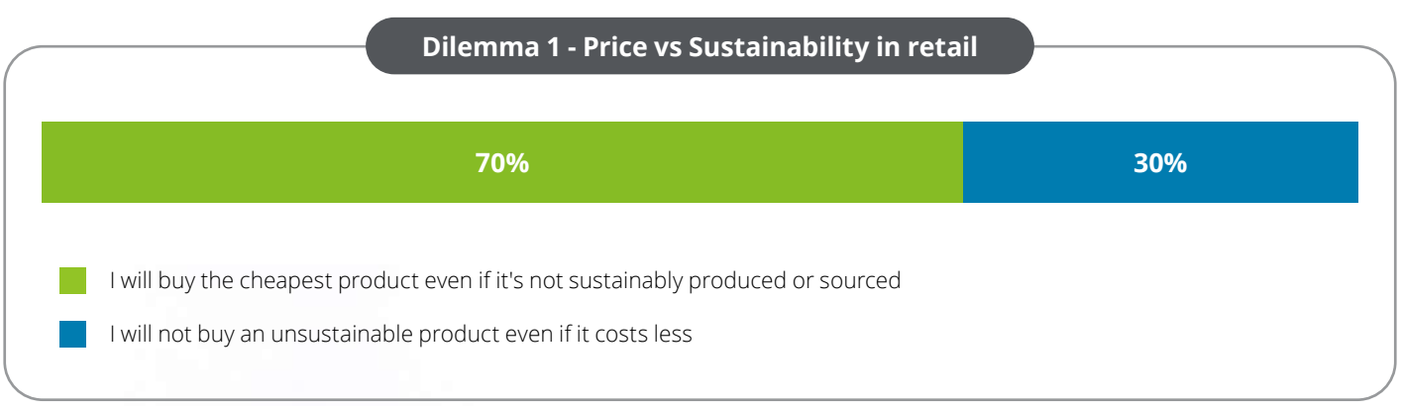


Fig. 6: Affordability is more important to consumers than sustainability

Health trumps sustainability

Next, we asked Dutch consumers to choose between health and sustainability when buying food. An overwhelming majority - 3 out of 4 respondents - said that they will buy the healthiest product, even if it is not sustainably produced or sourced. See figure 7 below. There were no significant differences between generations, level of income, and level of urbanisation. This is in line with the findings in a previous Deloitte report on conscious consumerism[8]. When respondents consider price separately from health and sustainability, price is dominant. However, when respondents are asked to choose between health or affordability, health is more important to them, but sustainability remains less important than affordability.

It seems that the purchasing decisions of Dutch consumers are driven in particular by their individual interests rather than by society's. After all, affordability (which is an individual interest) continues to trump sustainability (a common interest), whereas health and affordability – both individual interests – are battling for a first place. Sustainability clearly comes third.

What do the survey results mean for retailers? Consumers do care about sustainability, but affordability and health matter more to them, so retailers need to balance and temper their messaging around sustainability. They might consider to focus more on value and health than on the sustainability of their products.

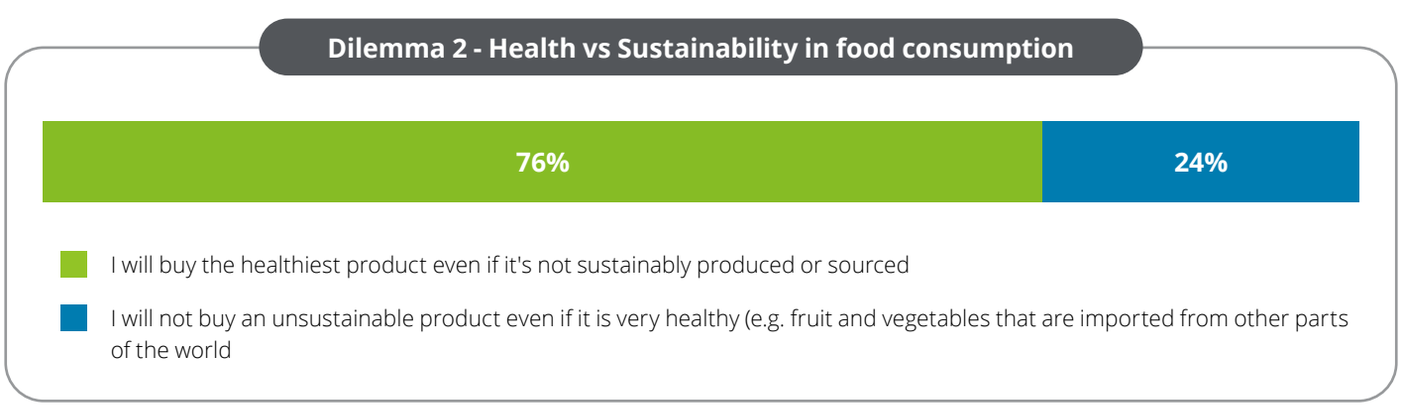


Fig. 7: Food: health trumps sustainability

The convenience of online retail is hard to resist

When it comes to sales channels, our current study reveals that overall, for more than half of the respondents the convenience of online retail is hard to resist (Gen Z: 51%, Millennials: 56%). Younger generations, and particularly Gen Z, grew up when online retail was on the rise. In comparison to older generations, they are quick to recognise the advantages and willing to pay more for them. Younger generations are also more open to ultra-fast delivery (10 to 15 minutes) and additional costs. Finally, what this figure tells us, is that 40% of Dutch consumers is willing to pay extra for sustainability. Gen Z and the Baby Boomers are leading (43%), for Gen X the score is lowest: 35%. The willingness to pay extra for sustainability is in fact 20% higher than for convenience. See Appendix 1.

The role of the government

Another interesting notion is that even though consumers care about health and sustainability, they are looking at other parties in society to take action. For instance, 6 out of 10 Dutch consumers believe that government should influence retailer behaviour by means of tailored corporate taxes on unhealthy or unsustainable items. See figure 8 below. However, only 4 out of 10 consumers believe that government should influence consumer behaviour likewise, by means of tailored VAT for buying unhealthy or unsustainable goods.

This research seems to imply that consumers will probably not be driving the shift towards conscious consumerism. As citizens, we generally agree that health, sustainability, and society should be our priorities. But as consumers, we keep making decisions that contradict these priorities. Looking at the dynamic in Retail, retailers aren't going to drive this shift either, as they are usually responding to consumer behaviour, rather than driving changes in that behaviour. Also, they have to take into consideration the profitability expectations of their owners/shareholders.

So if we want the citizen voice to be louder than the consumer voice, regulators will have to be the driving force. Not per se by mandating certain retailer and consumer behaviours alone, but also simply by encouraging the right behaviours through more diversified taxation.

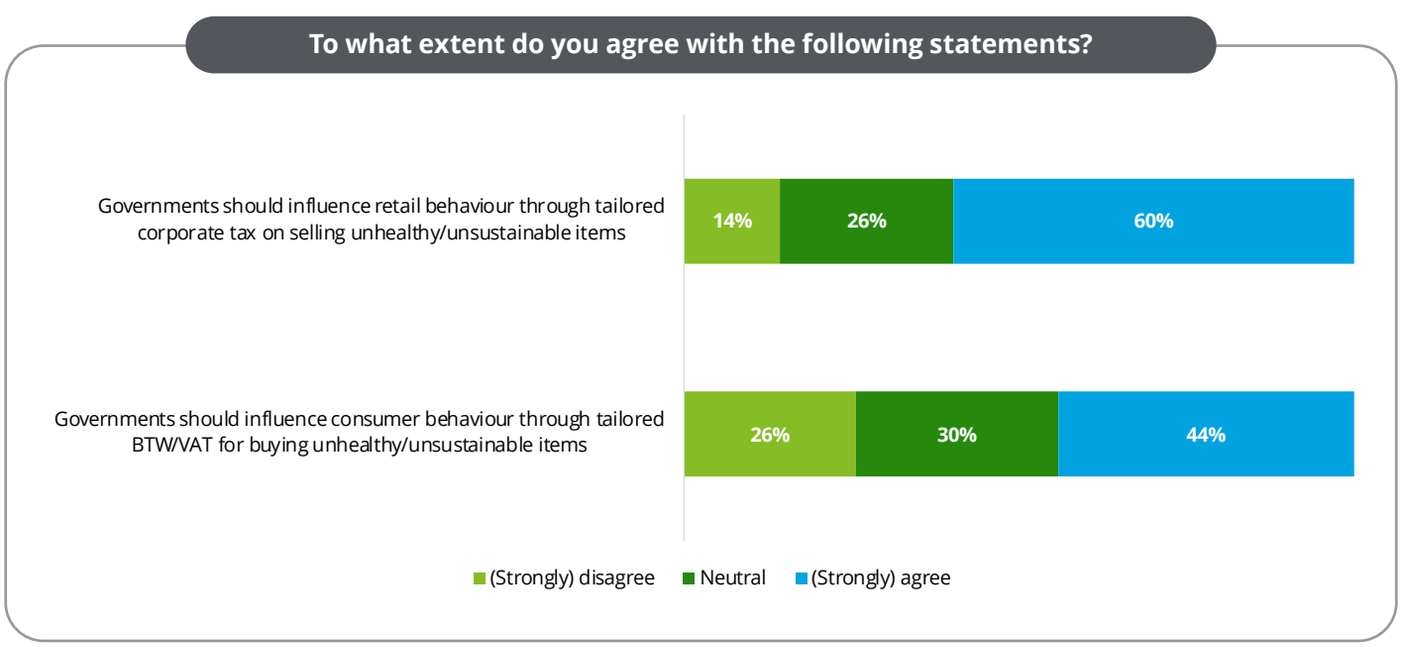


Fig. 8: Government should influence retailer behaviour rather than consumer behaviour

3. Consumer products

Sustainable business models and more focus on honest communication and messaging

The squeeze is on for businesses and consumers. Record inflation, supply chain issues, climate change, global conflicts, and a potential recession – each of these is a challenge in itself, but combined, they can be quite overwhelming[9]. What is their impact on consumer behaviour? What are the current consumer expectations concerning price, product life cycle, sustainability, and supply chain transparency? And what does this mean for the value propositions and messaging of consumer-packaged-goods companies (CPGs) and their brands?

Consumers are reconsidering their everyday spending

As inflationary pressure persists, economic forecasts are shrinking and prices are rocketing. Consumers have no choice but to reconsider their everyday spending to manage rising food prices, increased fuel costs, and utility expenses. A common consumer response is to choose cheaper options in stores – for instance, private brands rather than A-brands.

Private brands, or store brands, have been winning over consumers for decades, and their popularity is unlikely to wane[10]. They have become a brand identity in their own right, deployed to create loyalty, combining premium and economy brands, and covering a vast assortment. Our survey results show that especially in the current economic climate, 3 out of 4 Dutch consumers prefer cheaper private labels to A-brands. See figure 9 below.

As we saw in the previous chapter (Retail), this also impacts the purchasing of more sustainable consumer products. Until recently, more than half of Dutch consumers increasingly considered sustainability when making purchases. But due to inflation and a looming recession, there are now signs of a pullback in their willingness to pay a premium for sustainability[11].

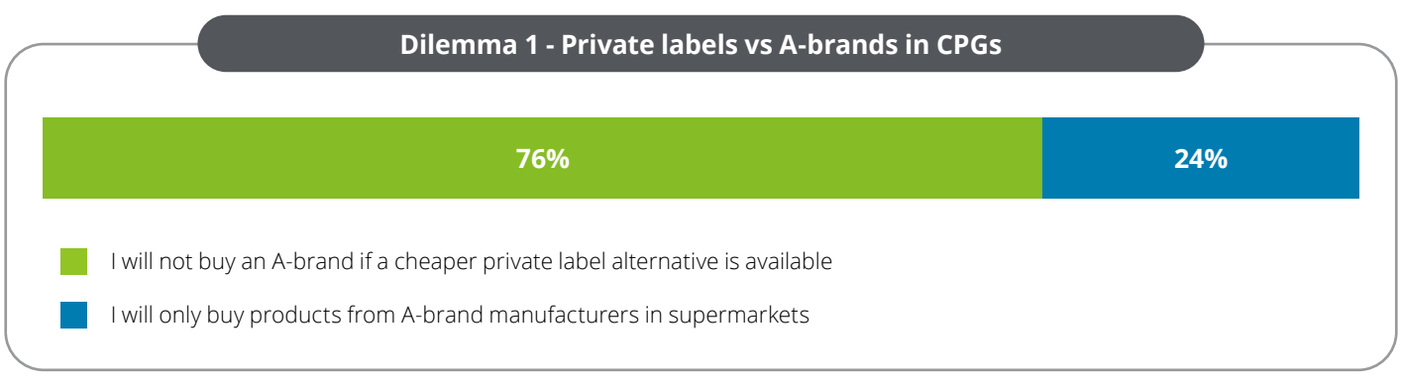


Fig. 9: Cheaper private labels are preferred over A-labels

Consumption reduction is key to protecting the environment

However, the willingness to pay a premium is not the only indicator of the interest in sustainability. Our study also shows that 6 out of 10 Dutch consumers believe that reduction of demand or consumption is key to protecting the environment. Companies need to step up to enable consumers to reduce their consumption. For instance, consumers would like CPGs to adopt a more circular business model view, extending the product life cycle through repair, resale, refurbishment, and recycling. This could be an opportunity for growth - almost 60% claim they will buy recycled or refurbished (second hand) products, even if this means lower quality. See figure 10 below. For Gen Z, the number is even higher: 7 out of 10 consumers are willing to buy such products.

Reconsidering production volumes and materials, and the longevity of products by design, could be interesting for CPGs. Also, they could focus on circular models for product usage (increasingly seen in fashion), offering consumers the opportunity to resell, rent, and repair products, or reuse packaging. The shift in demand will drive value pools away from the established take-make-waste model and toward circular alternatives delivered through a range of channel strategies, including traditional direct-to-consumer (D2C) models, as well as consumer-to-business-to-consumer (C2B2C), with businesses acting as intermediaries, and consumer-to-consumer (C2C).

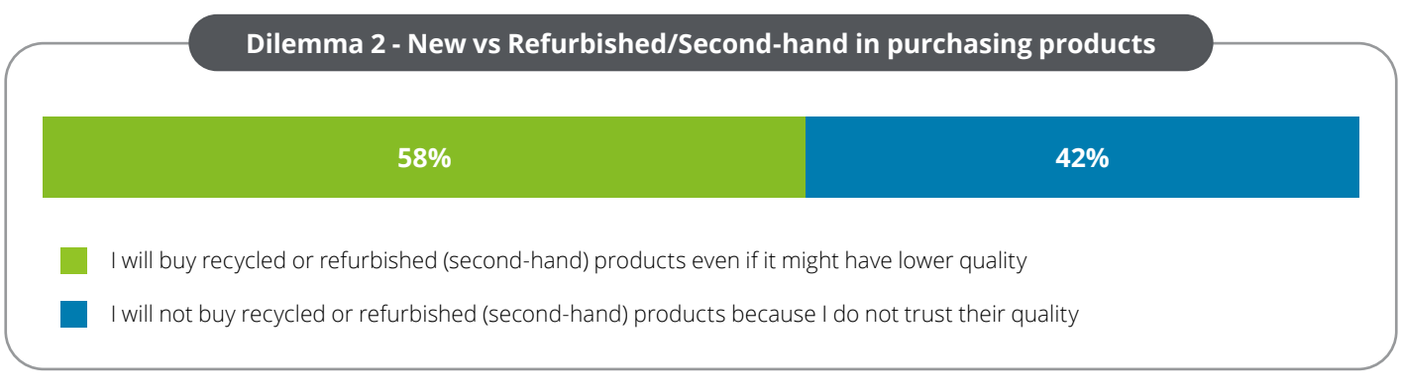
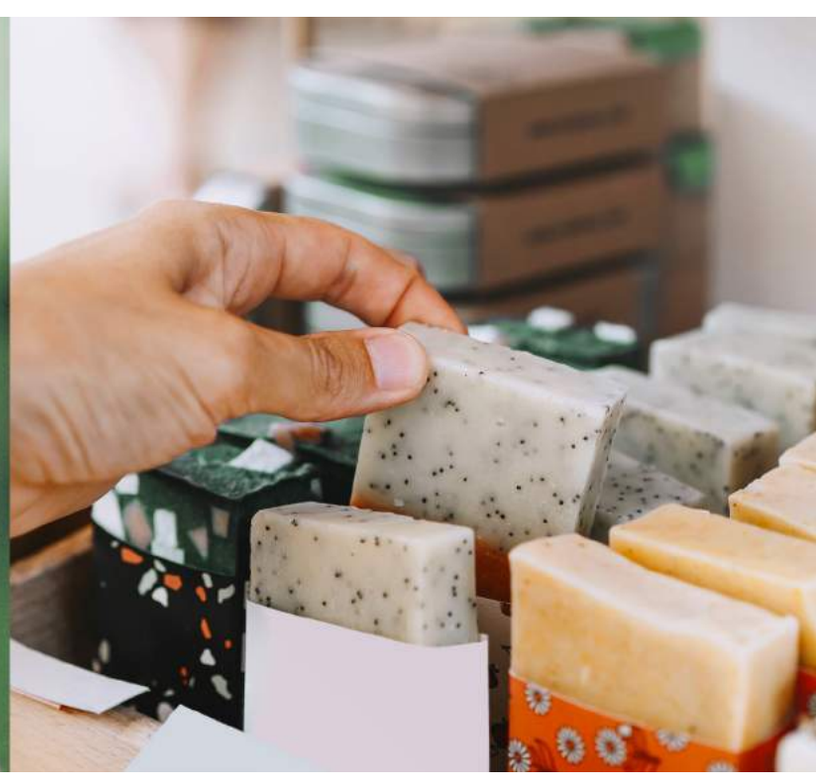


Fig. 10: The majority of Dutch consumers will buy recycled or refurbished products regardless of quality



Ownership vs. usage

Another way to respond to the increasing attention for consumption reduction is by focusing on usage rather than ownership. See figure 11 below. This is reflected in the consumer attitude towards subscription services – especially that of the younger generations. Two-thirds (67%) of Dutch consumers claim they would prefer ownership to subscription services, but Gen Z and Millennials are two times more likely than Gen X to use subscription services, and four times more likely than Baby Boomers. See Appendix 2.

Maybe, product ownership offers some kind of security for older generations. Their human need for convenience is likely satisfied when they can have immediate access to the products they need. Younger generations grew up with a digital purse. Many of them don't feel the necessity to buy products if they know they will only need them for a while. So, it makes sense that they are far more open to using subscription services. This also explains why they are more likely to use recycled or refurbished pre-owned products – if they are only going to use the product for a short time, why would they buy it and throw it away?

What the survey results show, is that Millennials and especially Gen Z are much more open to this type of alternative business models. Brands and retailers that are focusing on these target groups are already exploring alternative business models for this target audience. Many experiments are being conducted and new propositions are being created. However, change is slow, because new business models look at how fundamentally different companies operate. It's not an easy change but definitely an important one, with implications for pricing, innovation, operating model, sourcing and supply chain. The results indicate that brands and retailers should continue to explore alternative business models.

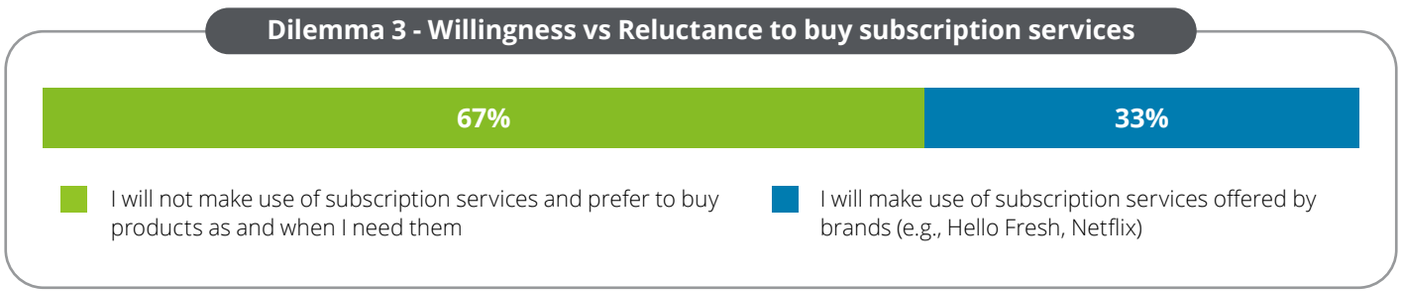


Fig. 11: Ownership vs usage

Transparency and messaging

Consumers want to be able to make conscious choices about what they buy, in terms of sustainability, but also in terms of health and affordability. That means that CPGs should offer them alternatives that fit into their lives. It also means doing honest business: offering full transparency about the sourcing and supply chain of these products[12], with easily available information and truthful communication, and by showing consumers that the company understands the dilemmas that consumers are facing. Messaging is key. Is what a company is doing, important to consumers, and does the company tell consumers about its values and programmes? More and more companies are trying to adhere to new policies and regulations around sustainability (including ESG reporting[13]), but they should not only share the results with regulators, but also with the public.

The role of the government

According to the survey, almost 7 out of 10 Dutch consumers (66%) believe that government should subsidise organically produced or sourced goods to make them more affordable. See figure 12 below. This is in line with the results of the other consumer-oriented sectors. Apparently, Dutch consumers are worried about climate change and are willing to make more sustainable choices, but they are looking to other parties, such as businesses and government, to help them out.

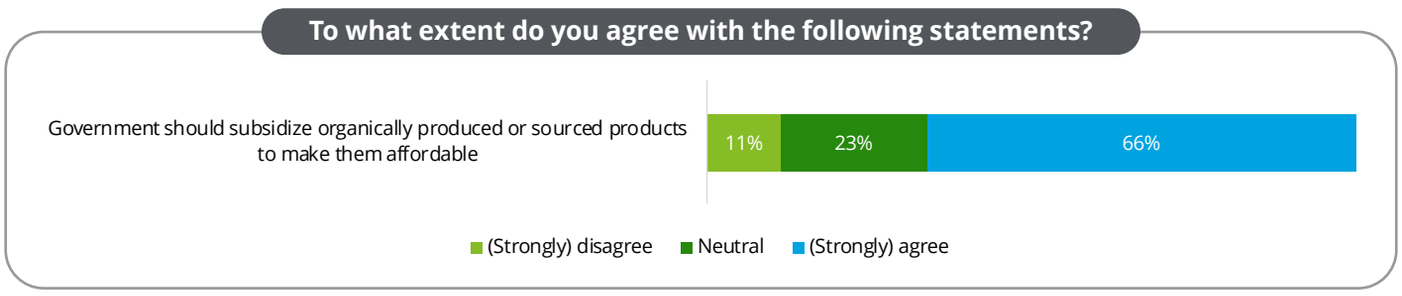


Fig. 12: The role of the government

4. Transportation and hospitality

Are green travel and transportation on the rise?

During the pandemic the transportation and hospitality sectors have seen major disruption. This was due to a variety of reasons, but most of all to lockdowns, sickness, and labour shortages. Next to these – temporary and permanent – disruptions, the pandemic has also increased several shifts in consumer preferences and mindset. These are recorded and analysed on an ongoing basis in Deloitte's Consumer Tracker[14]. Now that COVID-19 seems to be turning into an endemic disease, the big question is: what does this mean in the long run? Are consumers becoming more – or less - conscious – in terms of travel, hospitality and delivery?

The rise of green travel

After a decade of steady growth in passenger traffic, air travel was hit hard by the pandemic. It is expected that it will take a number of years before the airline industry has fully recovered. What does this mean in terms of sustainability? As it turns out, more consumers, employees, regulators, and investors are considering to cut down their number of trips, thus ramping up the pressure on the sector to reduce its carbon footprint[15].

The results of the survey indicate that green travel is on the rise. As figure 13 shows, almost half (46%) of Dutch consumers would consider sustainability when making leisure travel choices, even if the more sustainable options take longer or are more expensive. The majority of Gen Z (52%) and Millennials (51%) will travel with the most sustainable mode of transportation for leisure.

For business travel, the results are surprisingly similar. The percentage of consumers that will not consider sustainability is a little higher for business trips (56%) than for leisure (54%). So even in the business context 44% will travel sustainable, even if this takes longer or costs more (figure 14). Societal trends are impacting business travel in a similar way as leisure travel. Companies are reflecting that in their travel policies.

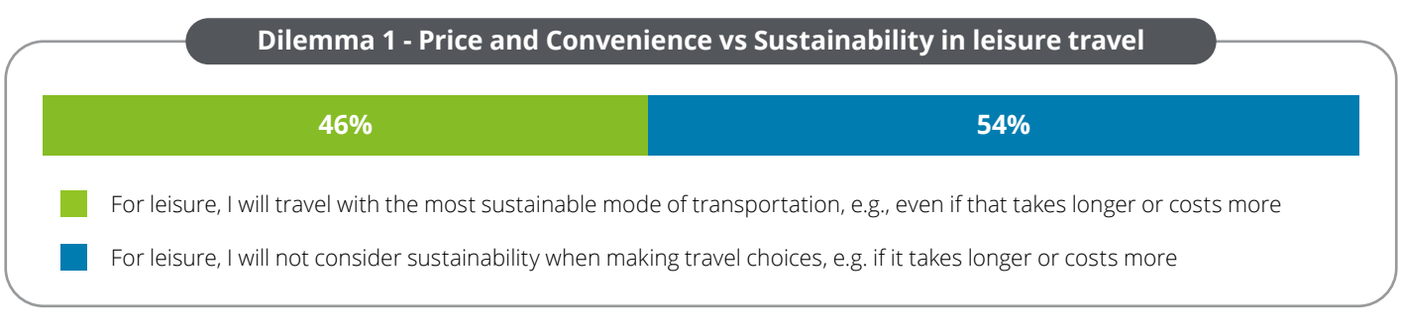


Fig. 13: Dutch consumers: sustainability and travelling

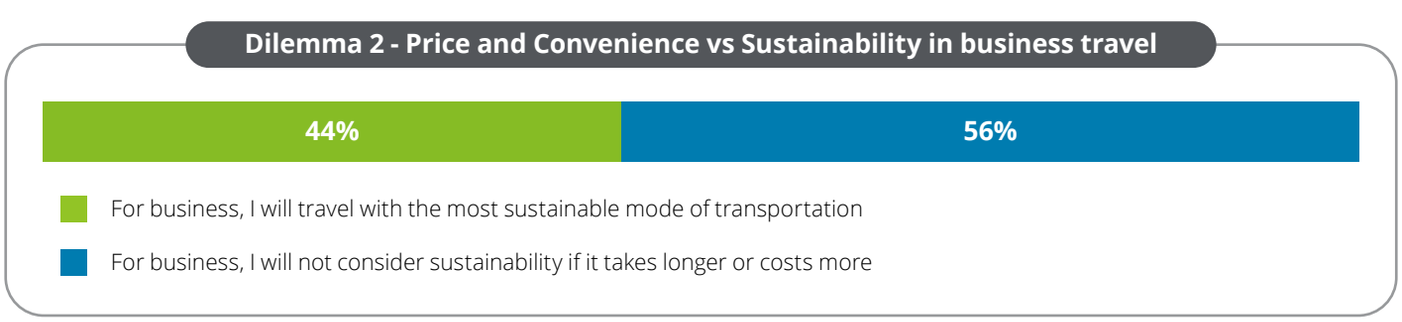
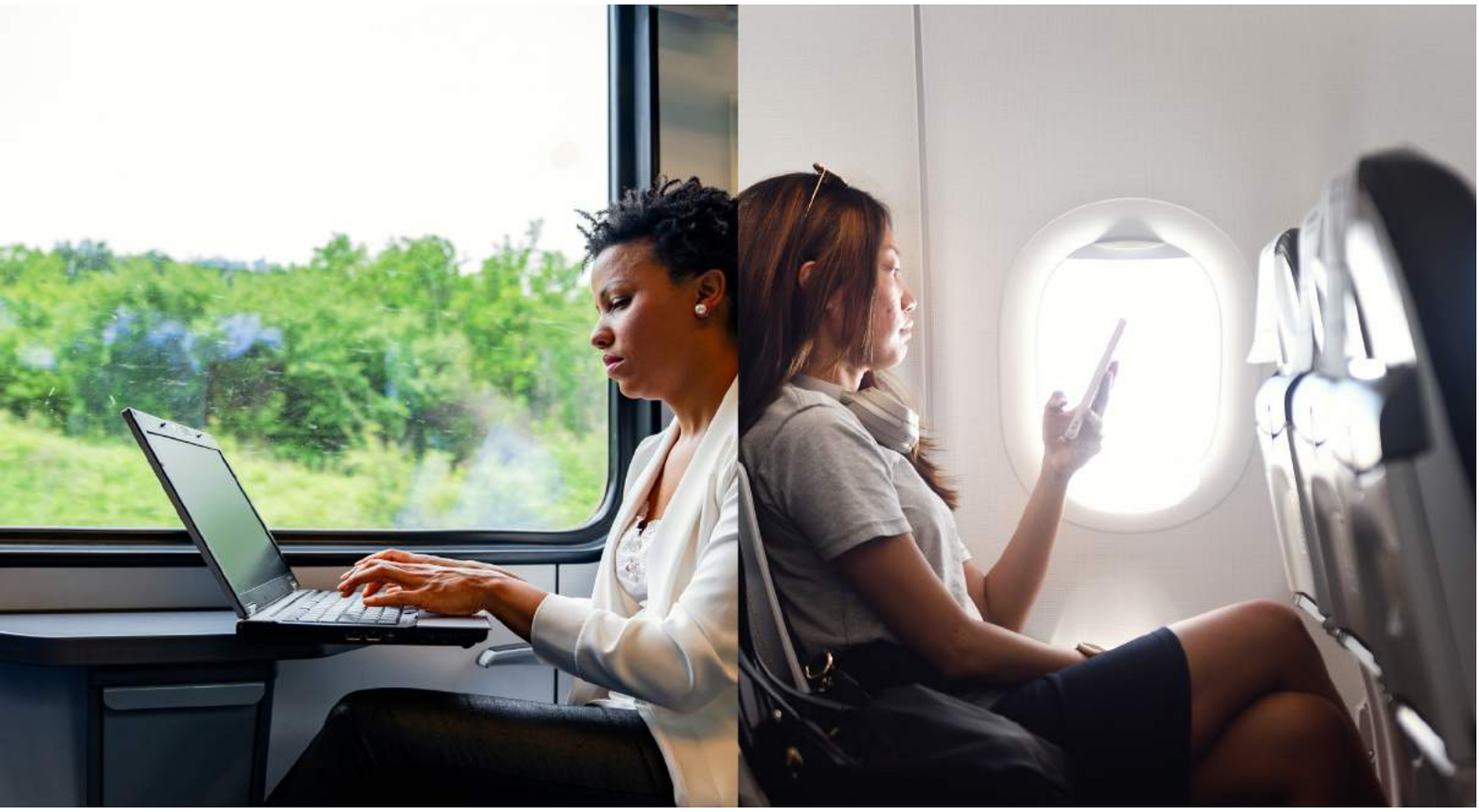


Fig. 14: Sustainability is slightly less often considered for business travel purposes than for leisure



The majority is willing to pay extra for sustainable delivery

After more than two years of COVID-19 lockdowns, the logistics industry is navigating a series of new challenges. These include labour shortages, rising wage costs, and decline in volume as we reverse to the long term e-commerce growth path after the COVID e-commerce boom. Growth is driven by a strong demand for B2C e-commerce logistics, as there is an increase in the number of packages that are shipped across the world.

Our results show that in general, the willingness to pay additional fees for delivery and return of packages is low in the Netherlands - only 3 out of 10. Yet when it comes to more sustainable transport of goods, more than 6 out of 10 Dutch consumers (64%) want companies to invest heavily. See Appendix 3.
For Dutch consumers, sustainability already plays a key role in selecting delivery options for their packages. Almost 6 out of 10 respondents (57%) will opt for a sustainable package delivery instead of faster or cheaper delivery, even if the more sustainable options take longer or are more expensive. Apparently, if Dutch consumers are asked to pay extra for delivery, they will only agree for reasons of sustainability. This is shown in figure 15 below.

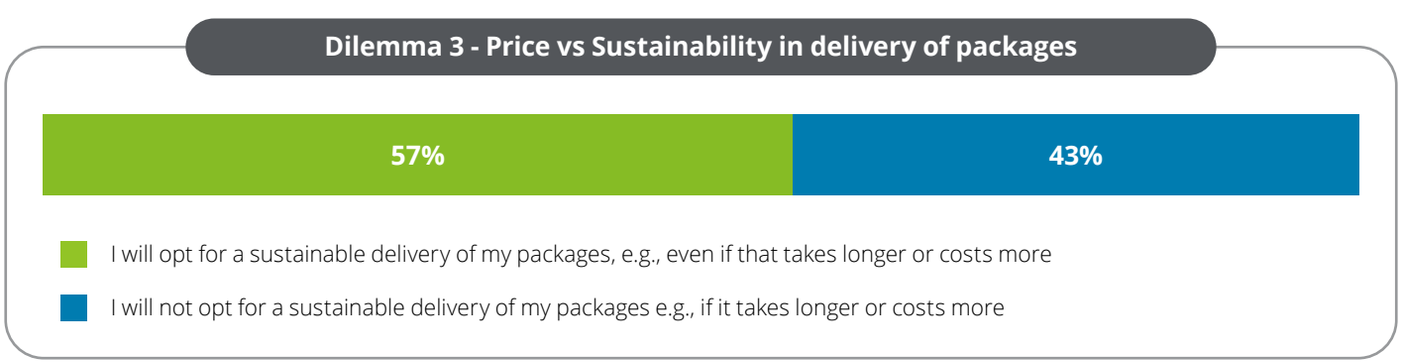


Fig. 15: The majority will choose sustainable delivery over fast or cheap delivery

More than 50% will consider sustainable hotels

Hospitality is among the sectors that were hit hardest by COVID-19 shutdowns. Restaurants, hotels, casinos, and sporting venues were empty for months as governments and public health authorities acted to contain the spread of the virus. However, now that travel activity is increasing in parts of the world, many hotels are springing back to life.
Our consumer study reports that Millennials visit hotels most frequently (56% at least once every 6 months), which can be explained by the fact that they often prefer hotels for vacation and business. Gen Z visits restaurants most frequently (46% once a month or more), particularly in urban areas. Even in the current economic climate, more than half of the respondents (54%) said they would consider hotels and restaurants that are more sustainable. The number is even higher for women (57%) and age group Millennials (62%). See figure 16 below.

Food for thought for the business

How can the hospitality business that invests in sustainability engage with the remaining 46% who presently do not consider sustainability when they are booking hotels or restaurants? They are still a significant part of the target group. The hospitality business needs to act on sustainability, as otherwise they will lose out on 54% of travellers that use sustainability as a selection criterion. Travel companies are facing a number of challenges as well. What actions can they take to contribute to the decarbonisation of business travel? How can they bridge the intention-action gap and help consumers make more sustainable choices? In other words: how can they accelerate their journey toward more sustainability, and potentially create value while doing so?

The benefits are clear: aligning with consumers' values and their desire for more sustainable travel and transportation; capitalising on the growing willingness of consumers to pay a little more for sustainability; and playing a part in the global effort to limit climate change. The industry players that thrive will be those who meet their customers' demands for more sustainable options.

The role of the government

Dutch consumers clearly want the government to take more action to reduce emissions - 57% want air travel to be drastically reduced, and more than 6 out of 10 respondents claim that government should tax airlines proportionately, based on their actual levels of emissions. Moreover, 60% want consumers to commute in a more eco-friendly manner, and 72% feel that government should reduce the costs of public transport in the Netherlands in order to influence consumer behaviour. This is shown in figure 17 below.

What these numbers also indicate – once again - is that sustainability is important to Dutch consumers, but to a large extent they are looking at other parties to take the lead. They expect government and businesses to promote and finance sustainability, but are less likely to carry the burden themselves.

Fig. 16: A small majority considers sustainability when choosing hotels and restaurants

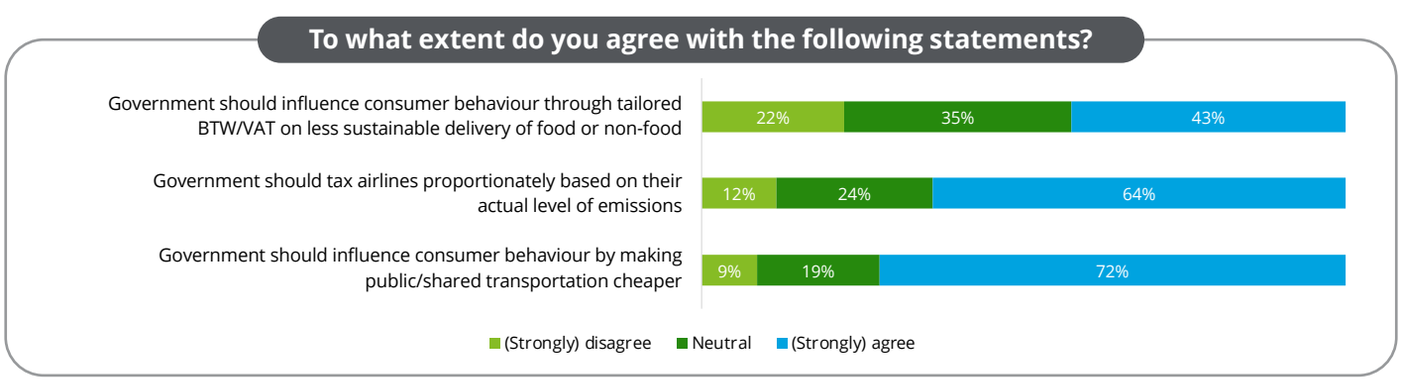


Fig. 17: The role of the government

5. Automotive

Theory vs. practice

Current trends such as zero emissions vehicles and carbon neutral manufacturing demonstrate the growing significance of consciousness in the automotive industry. This trend is accelerated both by political developments and by changing consumer preferences. So, to what extent are Dutch consumers willing to reduce their carbon footprint? How does the majority feel about shared mobility, electric vehicles (EVs), recyclability of materials, and road pricing ("rekeningrijden")?

Car ownership vs. shared mobility

In the last couple of years, the expectations around shared mobility were high. Especially the younger generations seem to be more interested in using products than in owning them, and are open to various modes of transport. However, when it comes to mobility, the results of our current research indicate otherwise. As it turns out, 8 out of 10 Dutch consumers either own or lease a car presently, and almost 50% of Dutch consumers prefer a personal car to commute to work[16]. The respondents were subsequently asked whether they would be open to various types of shared or subscription vehicle options (such as MyWheels and Lynk & Co.), or would prefer car ownership for readily available mobility. The percentages of people "choosing" one option over the other are shown in figure 18 below.

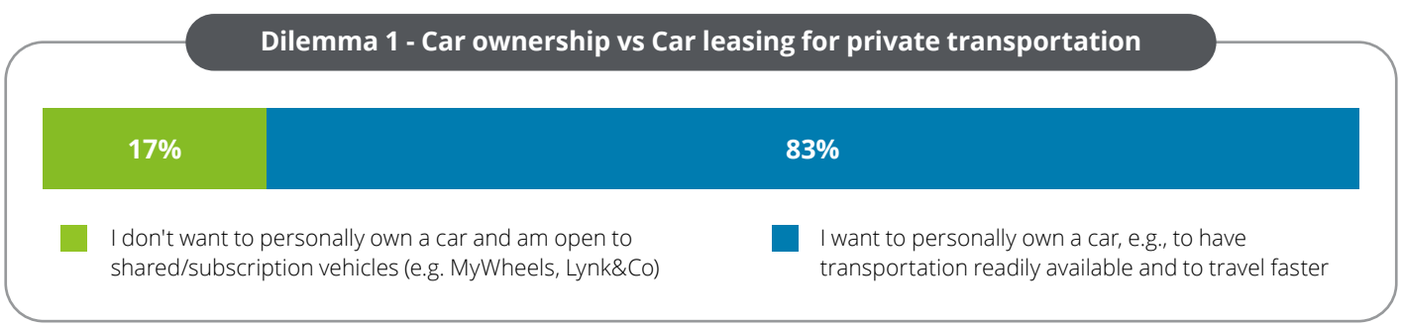


Fig. 18: 8 out of 10 Dutch consumers want to personally own a car

Clearly, car ownership is still a "must" for the vast majority of Dutch consumers. This result is consistent across genders, generations, and income groups. Despite significant investments and growth, many leading mobility companies have not yet cracked the code on how to profit from mobility services. So far, bike sharing and scooter sharing have been more successful than car sharing, since (shared) bikes and scooters are much cheaper and more easily available, and since consumers don't care as much about a filthy bike as they do about a messy car. This is supported by the results of our 2022 Global Automotive Consumer Study, which highlights that consumers value a subscription service that focuses on convenience, flexibility, and availability of vehicles[17].

Large-scale adoption of EVs is still gradual

We've all heard how the EV is coming. But so far, adoption has been relatively slow. Approximately 25% of all new cars sold in 2022 is an EV. The vast majority of vehicles that are currently sold or are already on the road today is still powered by internal-combustion engines (ICEs). Expectations were that EVs would be more popular by now, with gas prices and sustainability concerns so high, but barriers to widespread adoption remain. Dutch consumers are clearly split down the middle with 5 out of 10 respondents stating that their next purchase will be an EV, while the other half opts for gasoline or diesel fuelled vehicles. See figure 19 below.

Millennials with an income level of €50,000 and up are slightly more interested in purchasing an EV as their next vehicle. Also, less than 4 out of 10 (39%) respondents will buy an EV if these become more affordable (i.e., below €30,000), while more than half (52%) will consider purchasing an EV once the charging infrastructure is further improved. Apparently, charging rather than price is a dealbreaker for Dutch consumers in switching from ICEs to EVs. This is interesting in the context of subsidies made available for new and used EVs and for the big political push towards Automotive OEMs to build affordable EVs.

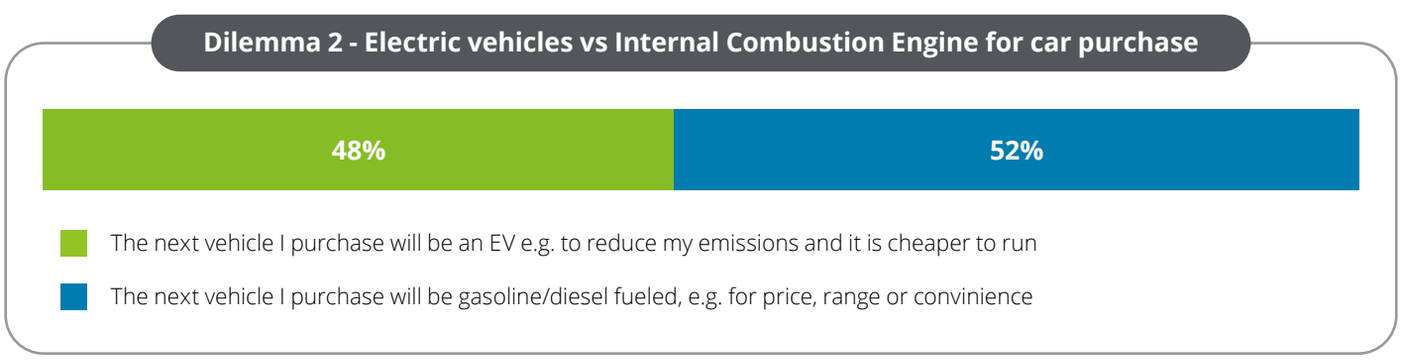


Fig. 19: Purchase of EV as next vehicle almost in a 50/50 split

Consumer concerns regarding EVs

Prospective EV buyers want to know for sure whether they will be able to charge their vehicles conveniently. However, each additional EV driver creates more competition for access to public charging points. Consumer concerns regarding EVs involve batteries, charging, and driving range. Without a sufficient number of charging stations – still - to reduce their anxiety, it will be difficult to accelerate the adoption of EVs. Charging-equipment manufacturers will need to scale up their production, charge-point operators might wish to coordinate with electric utilities to address the predicted power demands, and automotive companies must prepare to meet shifting consumer priorities. There are other issues as well. Currently, the overall EV charging infrastructure is quite advanced in the Netherlands. However, popular holiday destinations – in the south of Europe – are not yet that advanced, which is a major drawback for many Dutch consumers. EVs must be convenient for every trip we make, including our holidays. Also, in bigger cities in the Netherlands, the proximity and availability of charging stations is still an issue. Not every EV owner is allowed to have a charging station at home – for instance, when they are living in an apartment building.

Reusing and recycling

Next to mobility concepts and EVs, there are other ways for the automotive and mobility industry to increase their own sustainability, and that of consumers. One critical step will be to ensure that the materials that are used for vehicles can be reused or recycled. Instead of endlessly delivering materials, reusability and recyclability - of e.g. batteries and vehicle bodies - need to be maximised. Our study shows that although, on average, 6 out of 10 Dutch consumers do not want to receive better information on recyclability of their cars, GenZ and Millenials (51%) are 1.5 times more willing than GenX and Baby Boomers (29%). The "car owners of the future" are searching for information and are looking at OEMs for adoption of techniques associated with circularity. This is shown in figure 20.

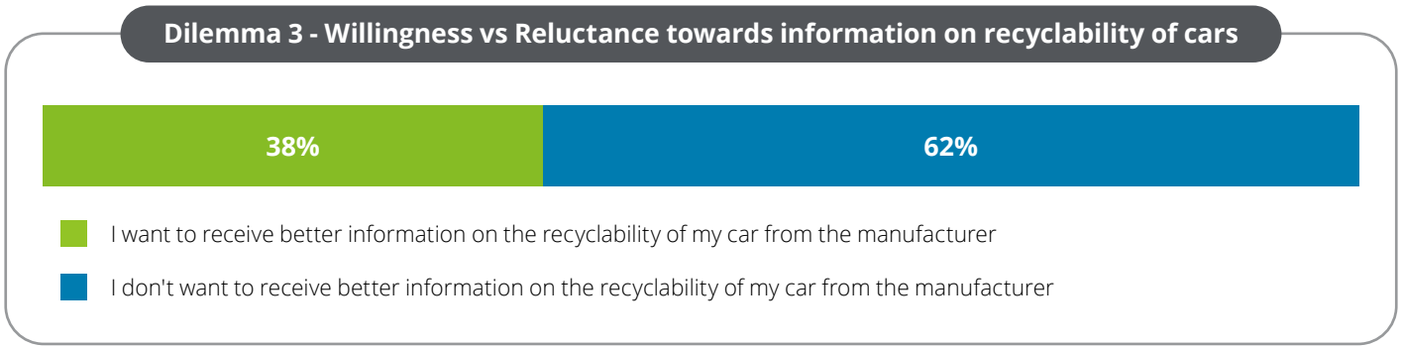


Fig. 20: The future consumer wants more information about car recyclability

Challenges for automotive companies

The findings raise a number of questions that are worth investigating. For instance, what do the results regarding car ownership mean for mobility concepts offered by both platform players and OEMs? Are supply issues also adding to slower adoption of EVs? How are OEMs going to adopt circularity? And: what role will micro-cars play as big cities start banning vehicles in congested city centres and potentially lower the speed limit to 30 kilometres per hour?

The role of the government

Even though 60% of Dutch consumers would not consider buying an EV if prices go below €30,000, or consider purchasing a second hand EV, 56% still say that government should continue to subsidise EVs. Within the various segments, the differences are most noticeable for the categories "age" and "income". Respondents with a higher income and/or a higher age are more often in favour of higher subsidies on EVs. However, if Dutch consumers consider charging infrastructure to be more important than pricing, then what is the point of subsidising the purchasing of EVs? What issues should regulators or government focus on in order to accelerate the adoption of EVs in the Netherlands? And what role can cities and regulators play in the integration of mobility services in the daily lives of consumers? Additionally, more than 40% of Dutch consumers, and an even higher percentage among Millennials and Gen Z, would like to have the amount of gasoline/diesel fuelled vehicles in the streets reduced in order to cut down emissions.

Road pricing ("rekeningrijden") - with tariff differences between gasoline/diesel fuelled vehicles and EVs - could be an incentive to reduce emissions. Yet there are more opponents than proponents (41% vs. 31%) on the topic of proposed "rekeningrijden" (road pricing). Especially consumers with low incomes (below €30,000) and Baby Boomers are opposed to taxing consumers for every kilometre they drive. This is shown in figure 21 below. Again, as with other consumer-related topics, this seems to confirm the general idea that Dutch consumers are concerned about carbon emission and climate change, but not as much as they are concerned about affordable mobility.

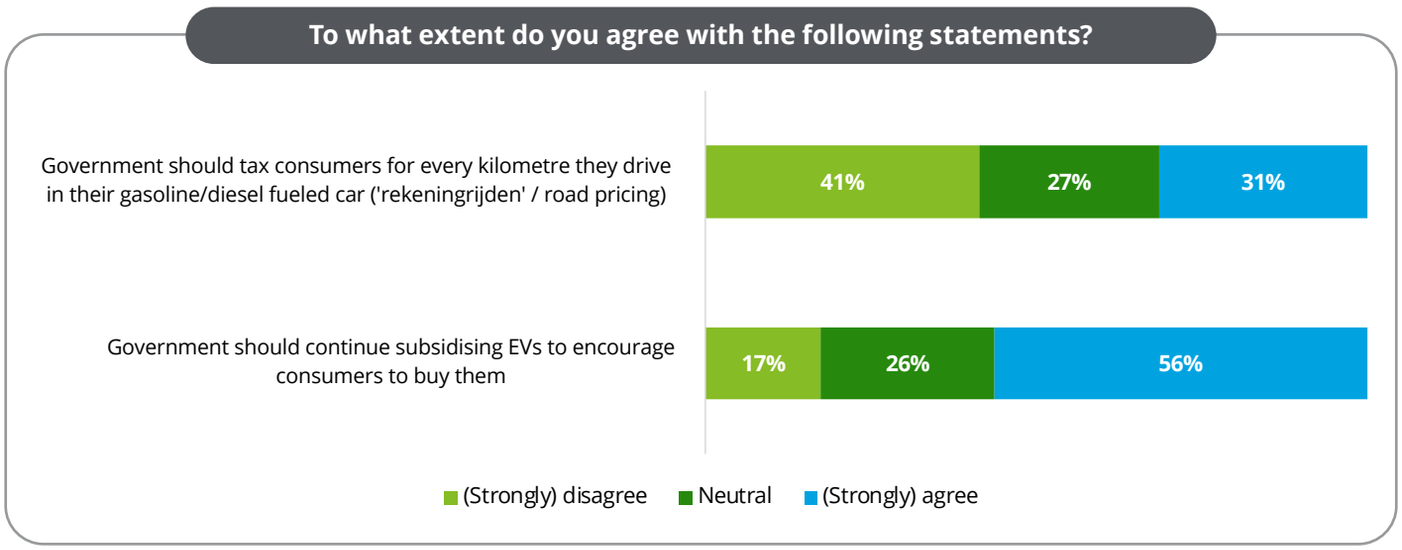


Fig. 21: Road pricing ("rekeningrijden"): more opponents than proponents

6. Conclusion

Dutch consumers are facing a dilemma. A vast majority is worried about topics such as climate change and believes that consumption reduction is key to protecting the environment. However, they are even more concerned about inflation and a looming recession. For 63% of Dutch consumers, price is the biggest barrier when it comes to making more sustainable and ethical purchasing decisions. This causes an intention-action gap between what consumers say and what they are willing to do, although there are slight differences between sectors.

Zooming in on the various sectors within the consumer industry, a few observations stand out.

1. Although younger generations usually consider themselves to be more eco-friendly, this does not always translate into their buying behaviour. In fact, almost 80% of Millennials and Gen Z will buy the cheapest product, even if it's not sustainably produced or sourced.

2. In general, the purchasing decisions of Dutch consumers are driven by individual interests (affordability, health) rather than by common interests (sustainability).

3. Consumers believe that companies need to step up to enable conscious consumerism. For instance, they would like CPGs to adopt a more circular business model view, extending the product life cycle through repair, resale, refurbishment, and recycling.

4. In order to make conscious choices about what they buy, consumers need to be able to trust brands and companies. This in turn requires full transparency about the sourcing and supply chain, and showing consumers that as a company, you understand the dilemmas they are facing.

5. The willingness to pay additional fees for delivery and return of packages is low in the Netherlands, but when it comes to more sustainable transport of goods, a majority of Dutch consumers want companies to invest heavily, and are wiling to pay extra for sustainable delivery.

6. In automotive, convenience is still a dealbreaker. For instance, car ownership is a "must" for the vast majority, and EV adoption is relatively slow, mostly due to consumer concerns around driving range.

Solving the dilemmas of today's consumer

In all sectors of the consumer industry, consumers indicate that the role of the government is key. For instance, almost 70% of Dutch consumers believe that government should subsidise organically produced or sourced goods to make them more affordable. More than 60% claim that government should tax airlines proportionately, based on their actual levels of emissions, and encourage eco-friendly commuting. And almost half of them would like to have the amount of gasoline/diesel fuelled vehicles in the streets to be reduced in order to cut down emissions.

Enhancing conscious consumerism is a joint effort for all of us – consumers, businesses, and government. But based on the above, the government will have to be the driving force. Not per se by mandating unsustainable behaviour alone, but also simply by encouraging the right behaviour through more diversified taxation, and by facilitating easy access to sustainable solutions, such as EV charging points near homes. That will truly help to solve the dilemmas of today's consumer.

Methodology

Target population and sample

The target group for this study consists of Dutch consumers of age 18 and up. A sample of at least 1,900 was chosen to guarantee the representativeness of the data across four age groups as well as across gender and level of income.

Questionnaire

The designed questionnaire included 40 questions covering (among others) the following topics:

- Demographics and sub-demographics
- Consumer behaviour and online shopping
- Travelling and leisure activity behaviour and preferences
- Concern about societal/global issues (e.g. climate change, inflation, geopolitical instability)
- Sustainable shopping behaviour, intentions and considerations
- Opinions about and appeal of purchase of Electric Vehicles (EVs)
- Role of the government, media, businesses and consumers in societal issues

Generalisation of the results

Sampling was used for this study. Therefore, results in the population might deviate slightly from the results in the sample. To ensure that the study is reliable, the choice for the sample size was made on the basis of the following considerations.

- With 400 respondents (rounded up) it's possible to make statements with 95% reliability about a certain group.
- With 200 respondents (rounded down) it's possible to make statements with 90% reliability about a certain group.

With more than 1,900 respondents it's possible to make statements with more than 95% reliability within four groups (e.g. age groups) or with more than 90% reliability for eight groups (e.g. combination of age and gender). The calculation also applies when zooming in on, for example, level of income.

Results

Before analysing the data, results from respondents who completed the survey too quickly were removed. In addition, control questions were asked to ensure the quality of the answers. The questionnaire gathered validated response from 2,027 respondents over a two-week period in November 2022. When standard practice rounding of percentages is applied, some of the results in the graphs and tables may not add up to 100%.

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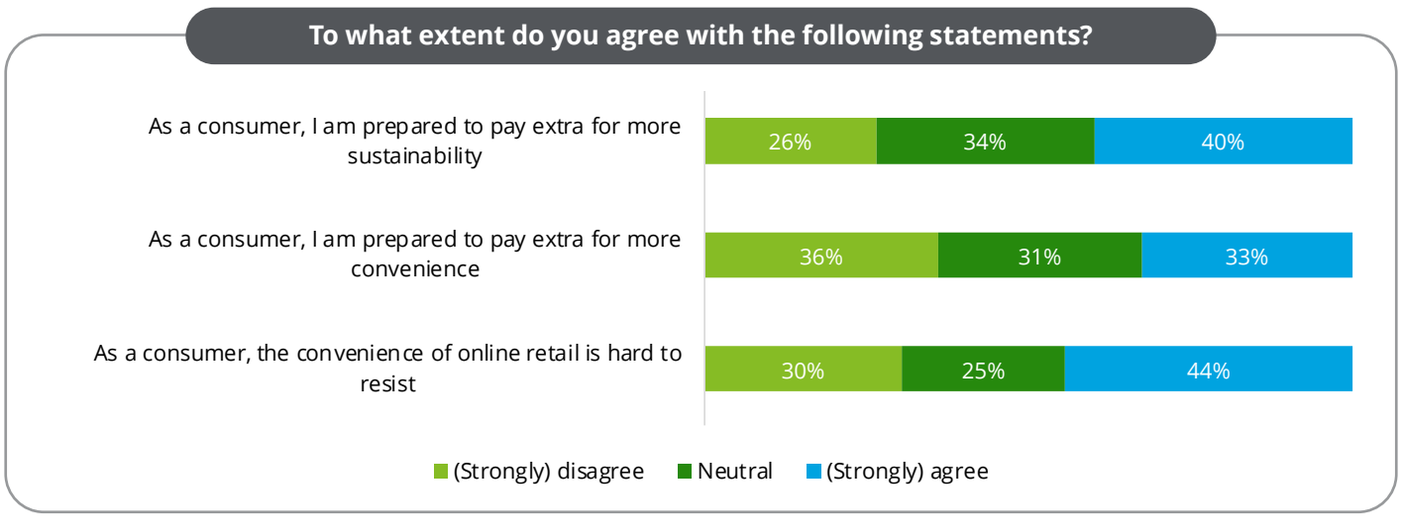
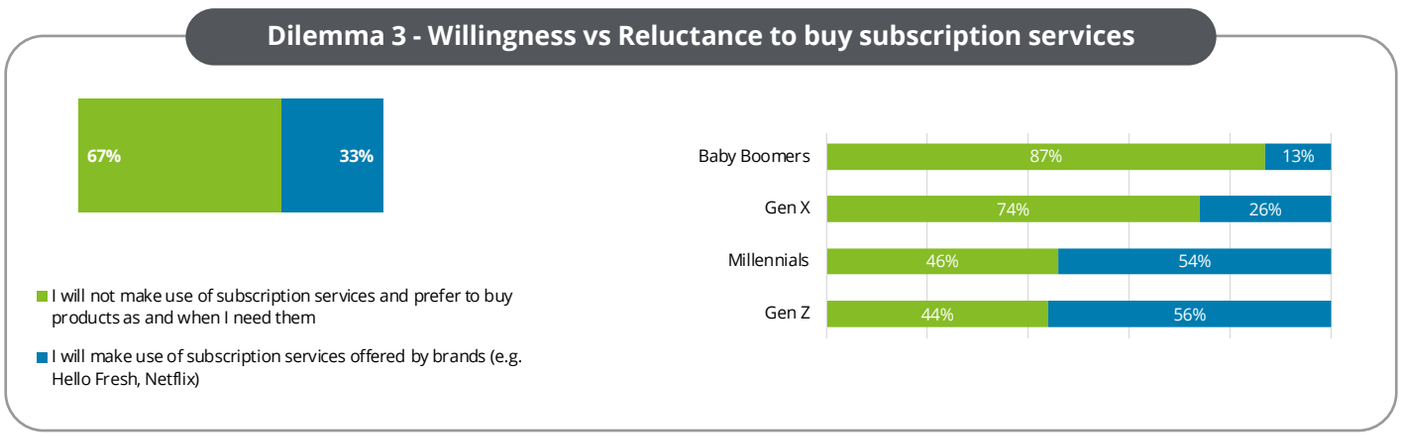
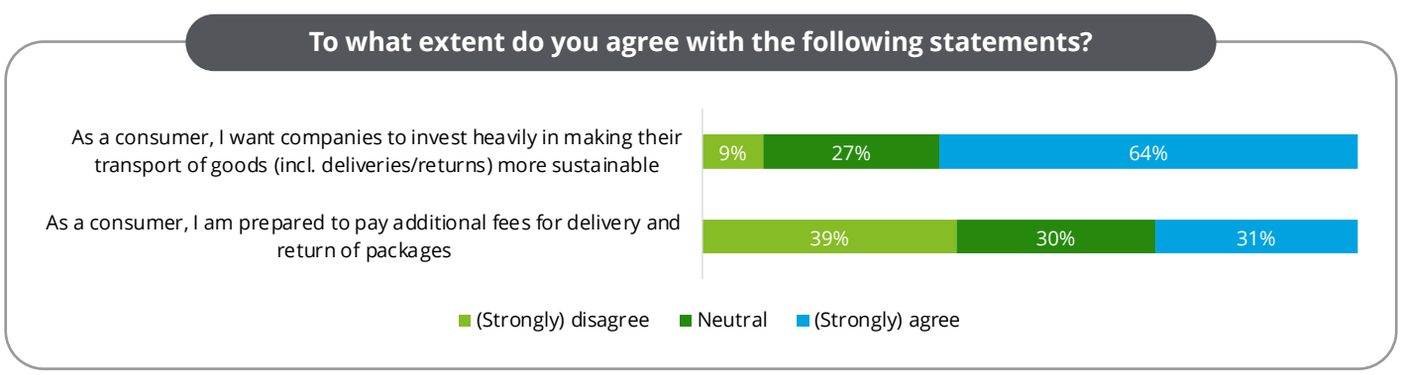
Appendix



Appendix. 1



Appendix. 2



Appendix. 3

Endnotes

1. 'The Conscious Consumer – Connecting with health and sustainability priorities', Deloitte, The Netherlands, 2021. See https://www2.deloitte.com/nl/nl/pages/consumer/articles/the-conscious-consumer-connecting-with-health-and-sustainability-priorities.html
2. The Deloitte Consumer Industry is further divided into the sectors Retail, Wholesale & Distribution; Consumer Products; Transportation, Hospitality & Services; Automotive.
3. For instance, by helping them create transparency in their entire supply chain, and what this means in terms of data quality, uniformity, and interchangeability.
4. This initiative is part of our Future of Food programme.
5. Baby Boomers: 1945 – 1960; Generation X: 1961 – 1980; Millennials (Gen Y): 1981 – 1995; Gen Z: 1996 – 2010.
6. "The cost of buying green", Deloitte Insights, Deloitte Global, 17 June 2022. See also https://www2.deloitte.com/xe/en/insights/industry/retail-distribution/consumer-behavior-trends-state-of-the-consumer-tracker/sustainable-products-and-practices-for-green-living.html
7. 'The Conscious Consumer – Connecting with health and sustainability priorities', Deloitte, The Netherlands, 2021. https://www2.deloitte.com/nl/nl/pages/consumer/articles/the-conscious-consumer-connecting-with-health-and-sustainability-priorities.html
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9. See also https://www2.deloitte.com/us/en/pages/consumer-business/articles/consumer-products-industry-outlook.html
10. See also https://www.forbes.com/sites/errolschweizer/2022/06/30/why-store-brands-are-having-their-moment/?sh=3c535a2d38bf
11. 'Consumer Products Outlook 2023 – Stay on track with actionable insights from our Consumer Products Industry Report', Deloitte Netherlands, January 2023.
12. See also the Introduction of this survey, and more particularly the paragraph on labelling, uniformity and interchangeability. However, on a global scale, 94% of companies are already investing in supply chain improvement and operational excellence, and this investment is also prevalent in the Netherlands. See 'Consumer Products Outlook 2023 – Stay on track with actionable insights from our Consumer Products Industry Report', Deloitte Netherlands, January 2023.
13. A form of public reporting by an organisation's management team about its performance across a variety of Environmental, Social, and Governance (ESG) issues.
14. https://www2.deloitte.com/nl/nl/pages/consumer/articles/consumer-insights.html
15. See also https://www2.deloitte.com/us/en/insights/focus/transportation/future-of-business-travel-post-covid.html
16. In fig. [...] of the chapter about Transportation & Hospitality the respondents already indicated that public transport in the Netherlands should be more affordable. This could also partly explain the preference for car ownership.
17. '2022 Global Automotive Consumer Study', Deloitte, 2022.

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