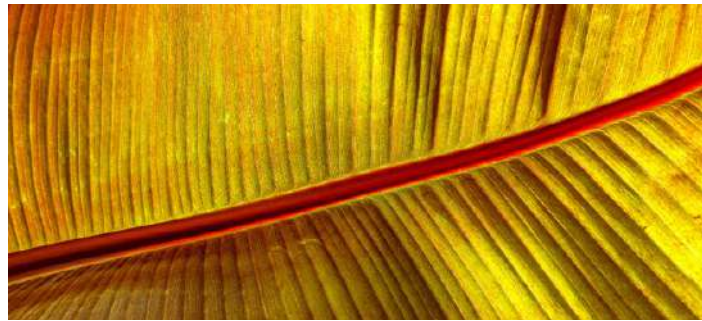


Sustainability 2024: Navigating consumer behavior

Crafting winning business propositions
to expand your customer base

Table of Contents



Executive summary 3



What do consumers think? 5



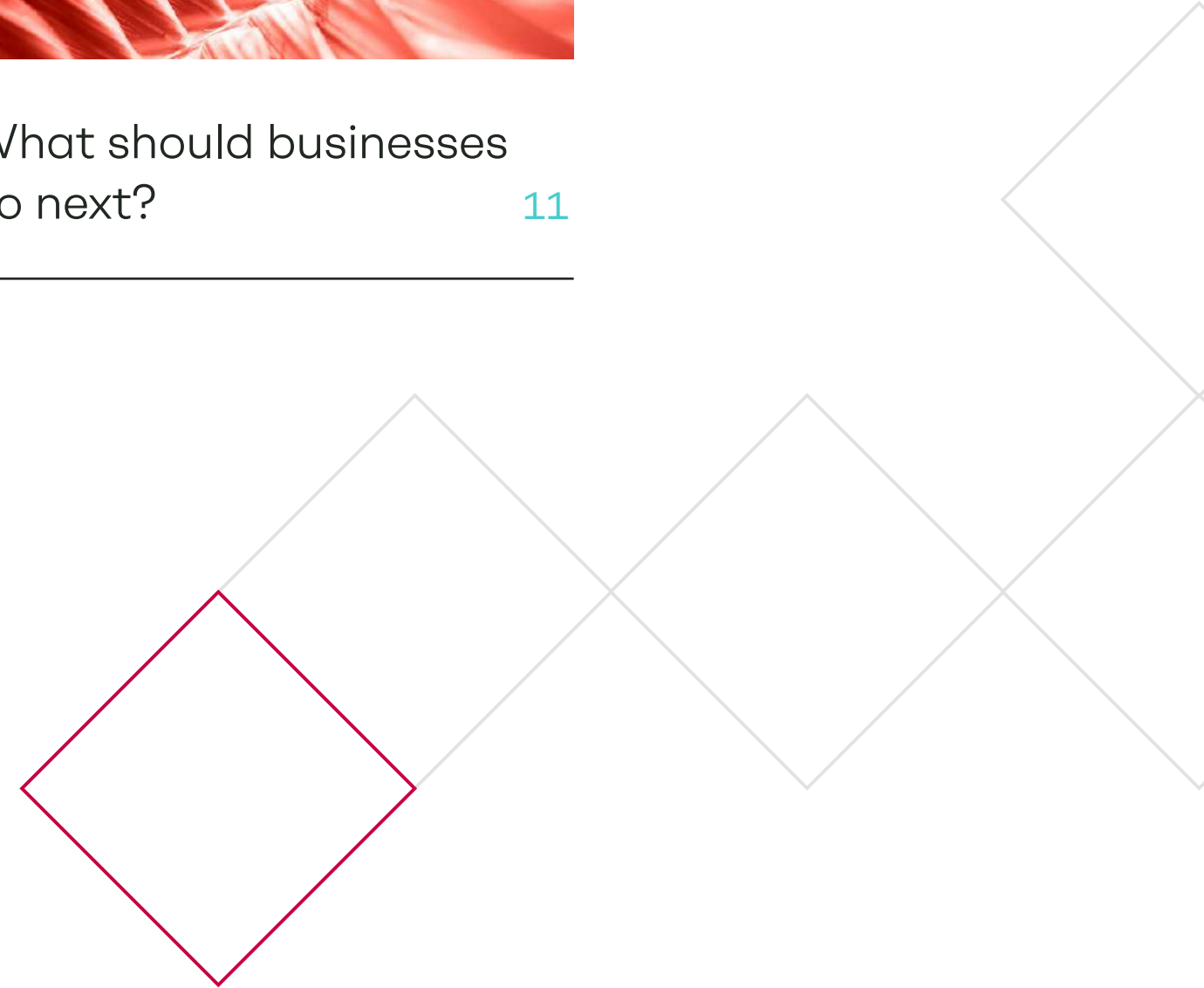
What should businesses do next? 11



Four key actions to boost your green agenda 12



Drive sustainable growth with Simon-Kucher 15



Executive summary

Sustainability is no longer just a “trend” – it’s a standard consideration influencing consumer behavior.

Our Simon-Kucher Global Sustainability Study confirms this, with 71 percent of consumers viewing environmental sustainability as equally crucial as last year.

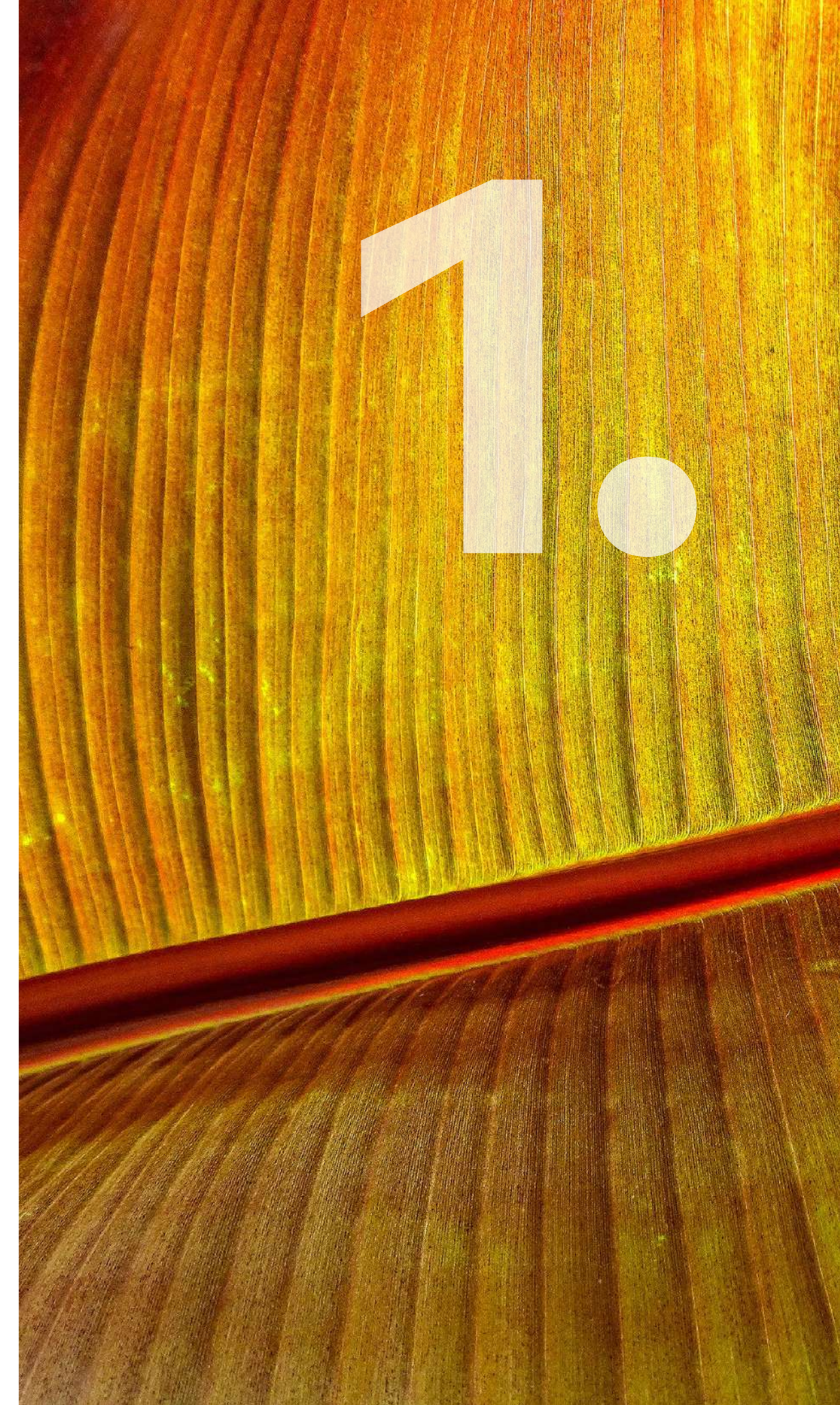
Despite a 6 percent drop in perceived importance compared to 2022, sustainability remains a top-three purchase consideration for 64 percent of consumers.

This decline is likely driven by inflation, which impacts purchasing power and sustainability valuation. Notably, the willingness to pay more for green products increased from 35 percent to 54 percent.

Our survey of 6,120 consumers across the USA, Germany, the UK, Australia, the Netherlands, and India highlights:

- **Changing attitudes toward sustainability**
- **Industry-specific consumer views on sustainability**
- **The importance of understanding consumer expectations of sustainability**

We analyzed consumer attitudes toward sustainability and their willingness to pay for green products across industries such as transportation, energy, travel and tourism, retail, financial services, and home construction.



An aerial photograph showing a winding river that meanders through a dense, green forest on the left and across a grassy, rolling hillside on the right. The river is a light blue-grey color, contrasting with the vibrant greens of the vegetation. The overall scene is serene and natural, emphasizing environmental sustainability.

To promote environmental sustainability effectively, businesses must understand what consumers really want.

The 2024 study results reveal a growing prioritization of sustainability despite persistent affordability challenges. Businesses must align product development with sustainability goals and leverage customer insights to ensure the profitability of green products. It's time to enhance your commercial strategy and improve go-to-market plans for sustainable solutions.

What do consumers think?

Sustainability and consumer behavior

Consumers drive the mainstream adoption of sustainability initiatives, and businesses are responding by increasing their commitment to net-zero goals. The challenge now is to understand what consumers need from businesses.

The growing interest in sustainability, the willingness to pay for green alternatives, and the proactive approach to verifying businesses'

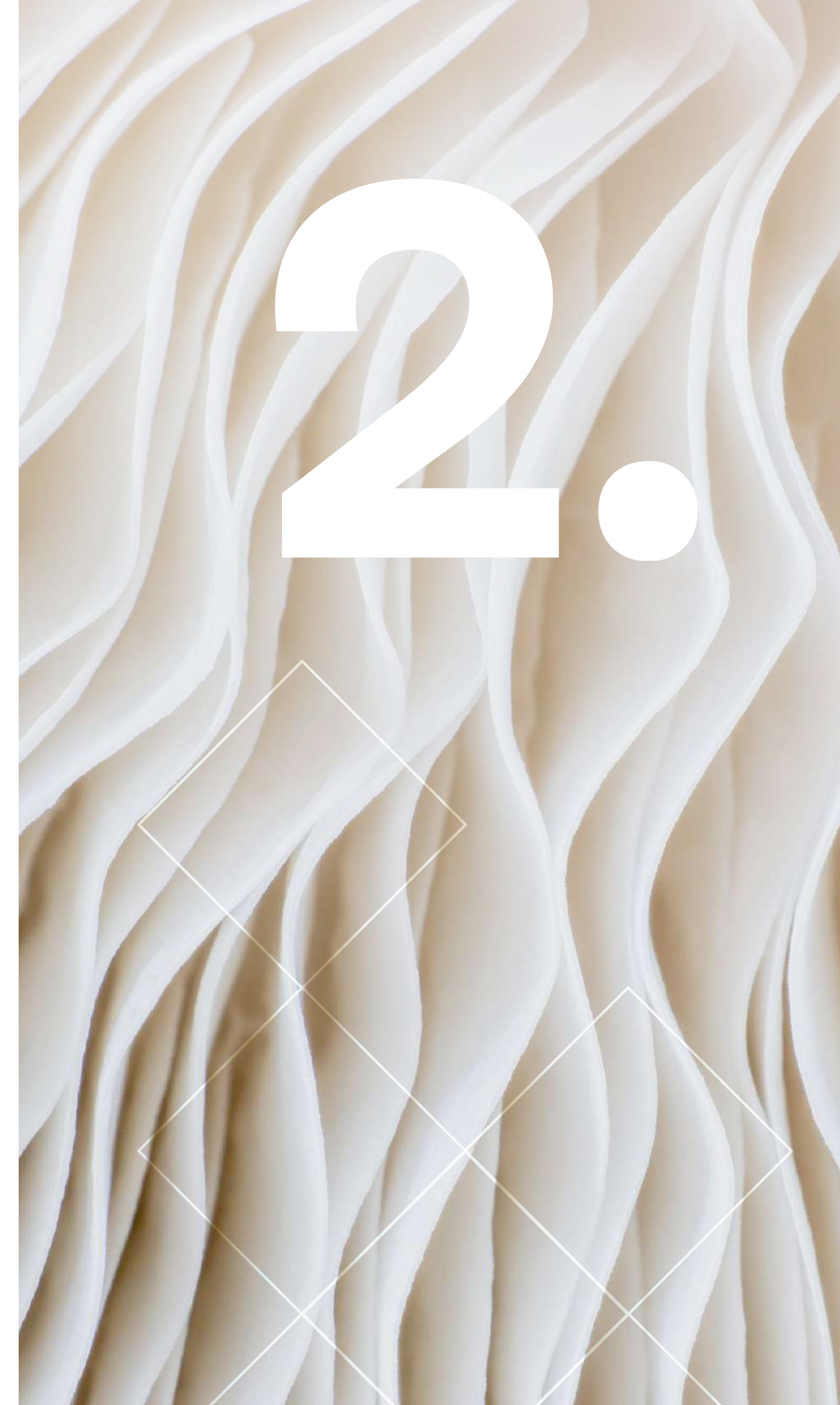
sustainability claims indicate an urgent need for businesses to understand consumer behavior. Effectively aligning products and solutions with this demand is crucial.

Businesses must ensure their product development and commercialization efforts integrate seamlessly with sustainability goals while prioritizing the profitability of green products. To bridge the knowledge gap in aligning commercial strategy with sustainability goals, businesses should focus on addressing these two fundamental questions:



Are consumers really willing to pay for green products?

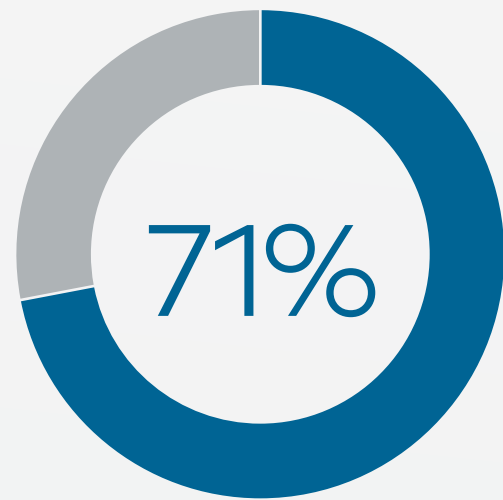
What can businesses do to meet consumer needs?



A snapshot of changing consumer sustainability perceptions

Decline in growth of importance

The importance of sustainability **declined by 6 percentage points from 2022**, likely due to inflationary pressures impacting purchasing power. This decrease indicates a slowdown in the growing importance of sustainability.

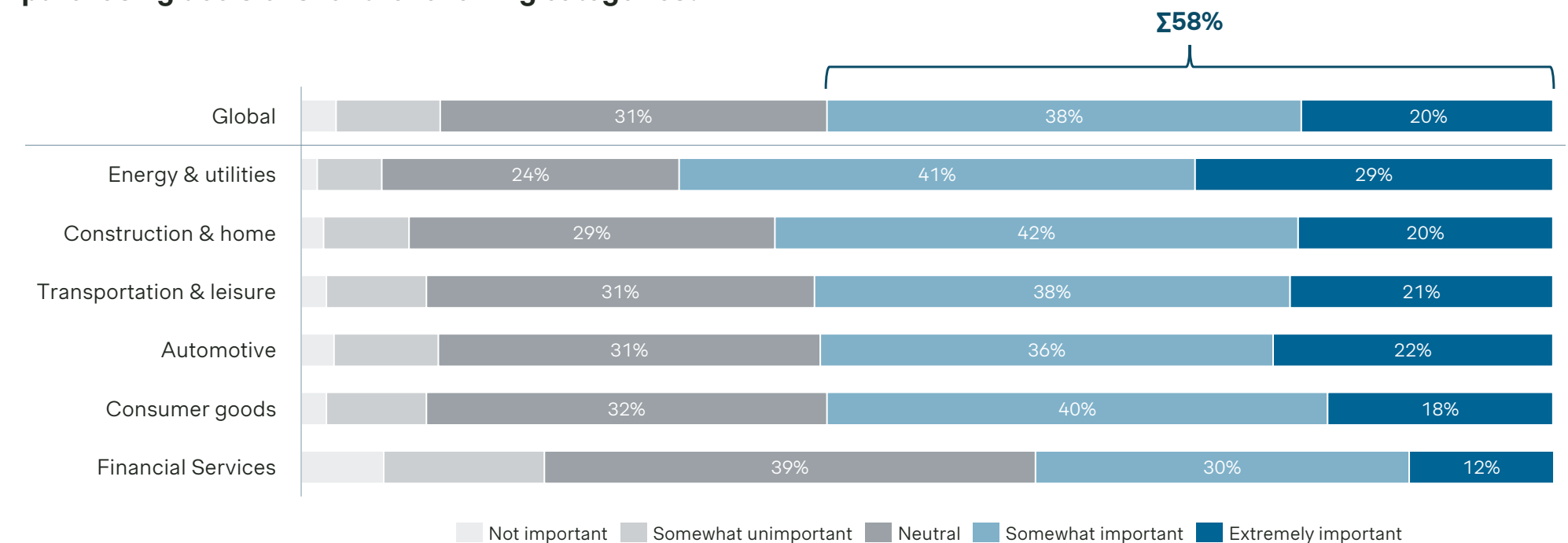


71% of global consumers feel that environmental sustainability is as important or more to them than it was last year.

Industry differences

Consumers prioritize sustainability more in industries with a tangible link to environmental issues (e.g., energy) compared to those with less direct ties (e.g., financial services). This trend has remained consistent since 2022, emphasizing its continued importance.

How important is environmental sustainability to you when making purchasing decisions for the following categories?



Value drivers behind changing consumer behavior




Sustainability as a top priority

64 percent of respondents consider environmental sustainability one of their top three purchasing considerations after price. Consumers are primarily motivated by a sense of responsibility. Businesses should tailor their go-to-market strategies to resonate with the deeply held values and beliefs of their target audiences, fostering long-term success.

What motivates you to buy sustainable products and services?

-  A sense of **responsibility**
-  A fear of **environmental** damage
-  **Feeling** good about my purchase
-  For the benefit of younger **generations**
-  A desire to act as a **role model**
-  For social **recognition**
-  Social **pressure**
-  Other reasons

7% of respondents: “I do not buy sustainable products and services”

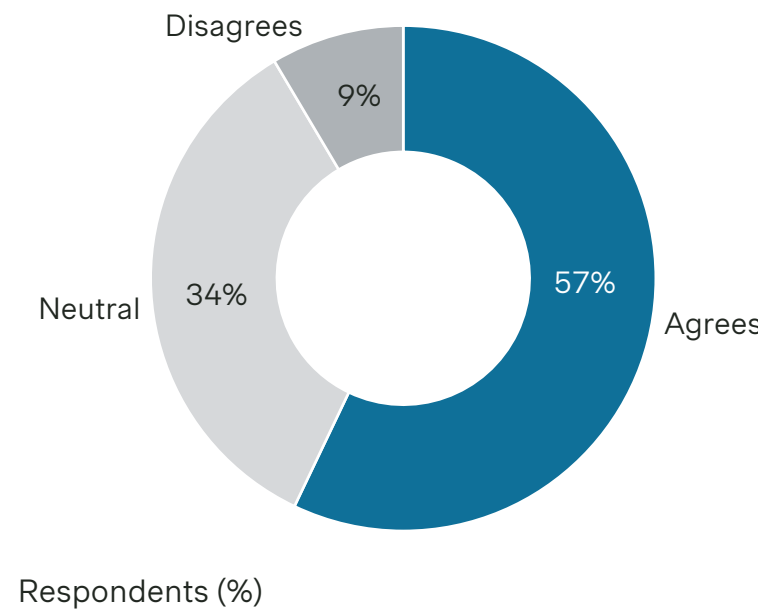
-  “Internal” motivators
-  “External” motivators
-  “Securing the future” motivators

Active consumer engagement

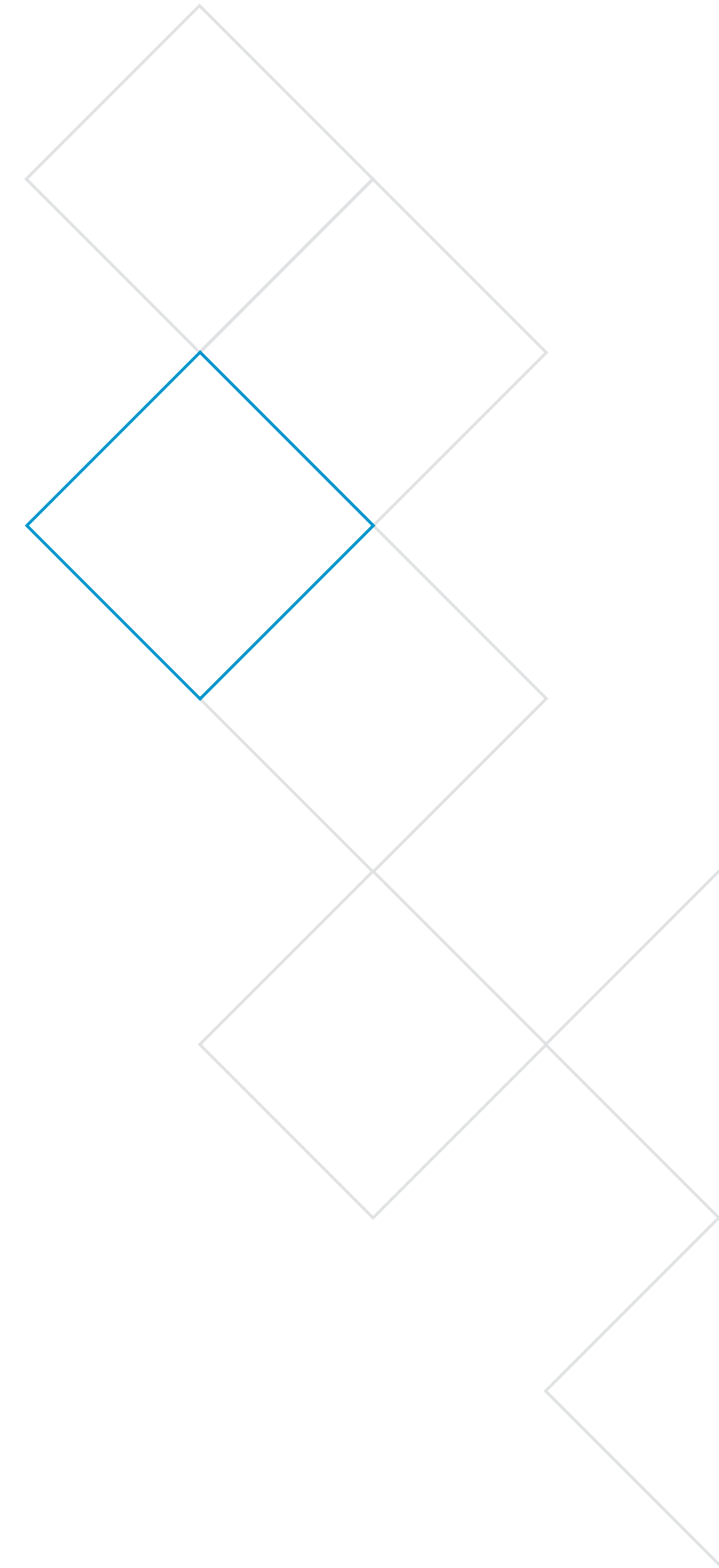
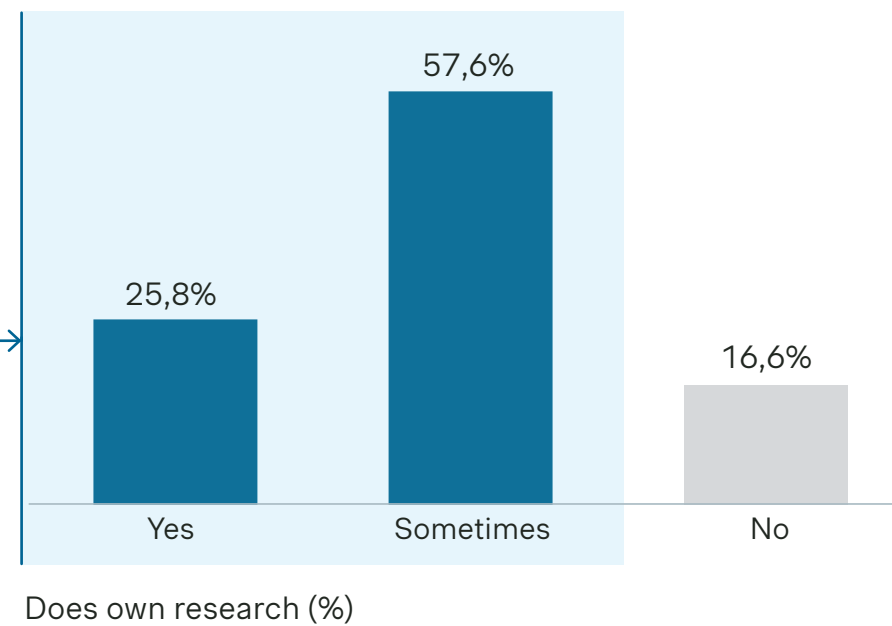
Sustainability is no longer just a buzzword – it's a decisive factor in consumer behavior. Our research shows that approximately 70 percent of consumers independently verify sustainability claims. Among the 57 percent who believe their preferred brands engage in greenwashing, about 80 percent conduct their own research before making a purchase.

To enhance customer loyalty, businesses must prioritize clear communication and transparency regarding their sustainable initiatives. Their claims must stand up to consumer scrutiny.

Share of respondents that feel greenwashing occurs at the brands they use



Share of respondents that will conduct own research



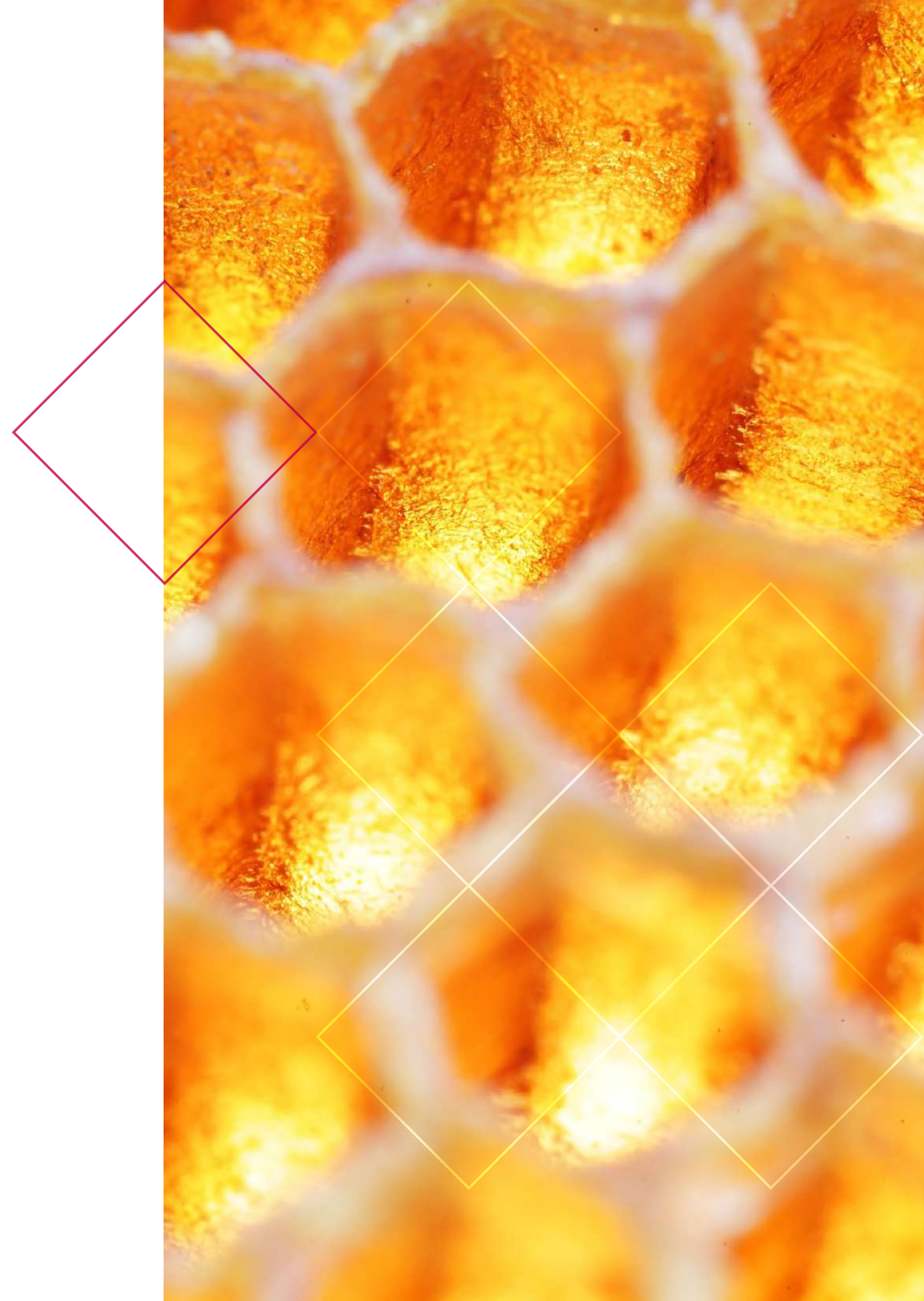
New changes in affordability and accessibility

Affordability challenge

Sustainability is now a top value driver, with consumers actively incorporating it into their purchasing decisions. However, affordability remains a significant barrier, with 38 percent of respondents finding sustainable alternatives too costly. There has been a 7-point increase in consumers viewing sustainable options as too expensive compared to previous years.

Improved accessibility

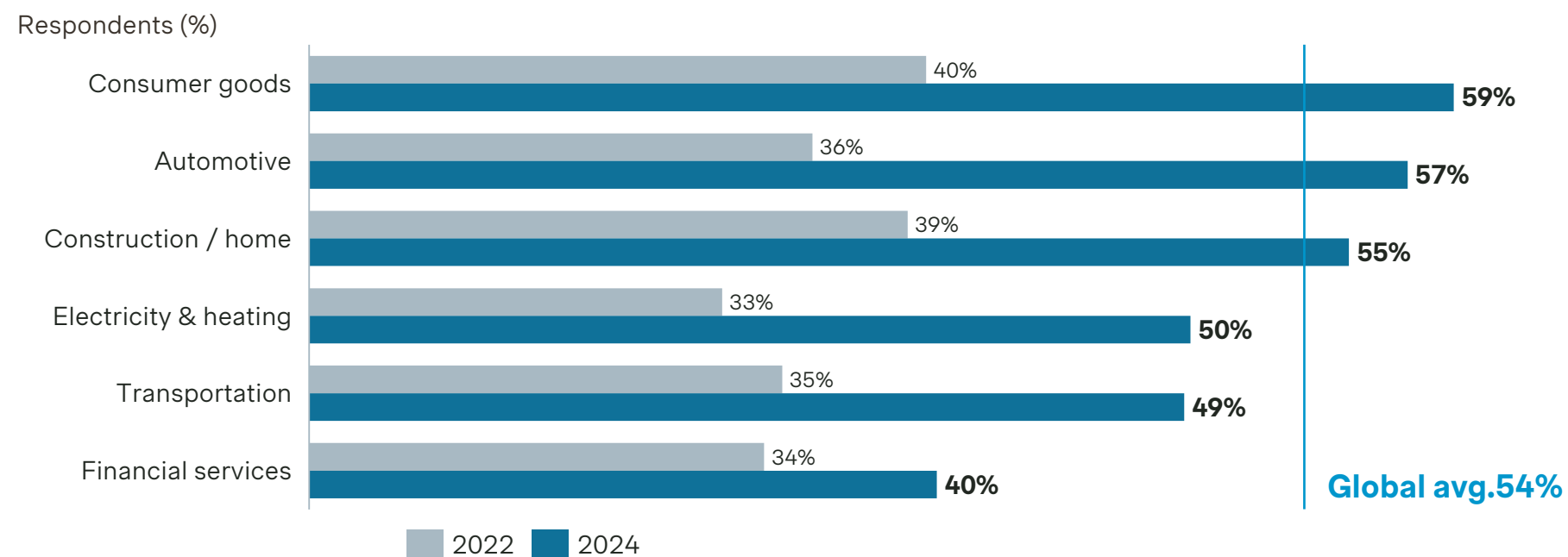
In recent years, sustainable alternatives have become much more accessible. With more eco-friendly options available, accessibility barriers have significantly decreased, marking a positive trend. However, high costs and the perception of expensive green alternatives continue to hinder the growth of sustainable purchases. Accessibility barriers decreased by 13 percentage points from 2022 to 2024 (from 25 to 12 percent).



Increased willingness to pay a premium

Consumer willingness to invest in sustainable alternatives has surged, with 54 percent now ready to pay a higher price – a notable increase from around 35 percent in previous years. The consumer goods industry has the highest number of consumers willing to pay a premium for sustainable offerings, which have relatively low additional costs.

Share of respondents that are willing to pay a sustainability premium



3.

What should businesses do next?

One thing is certain: Consumers are increasingly focused on sustainability and green alternatives despite concerns about greenwashing and affordability.

Environmental sustainability is now a mainstream concern for both consumers and businesses. The question is: How can businesses translate consumer needs and preferences into actionable insights to grow their customer base?

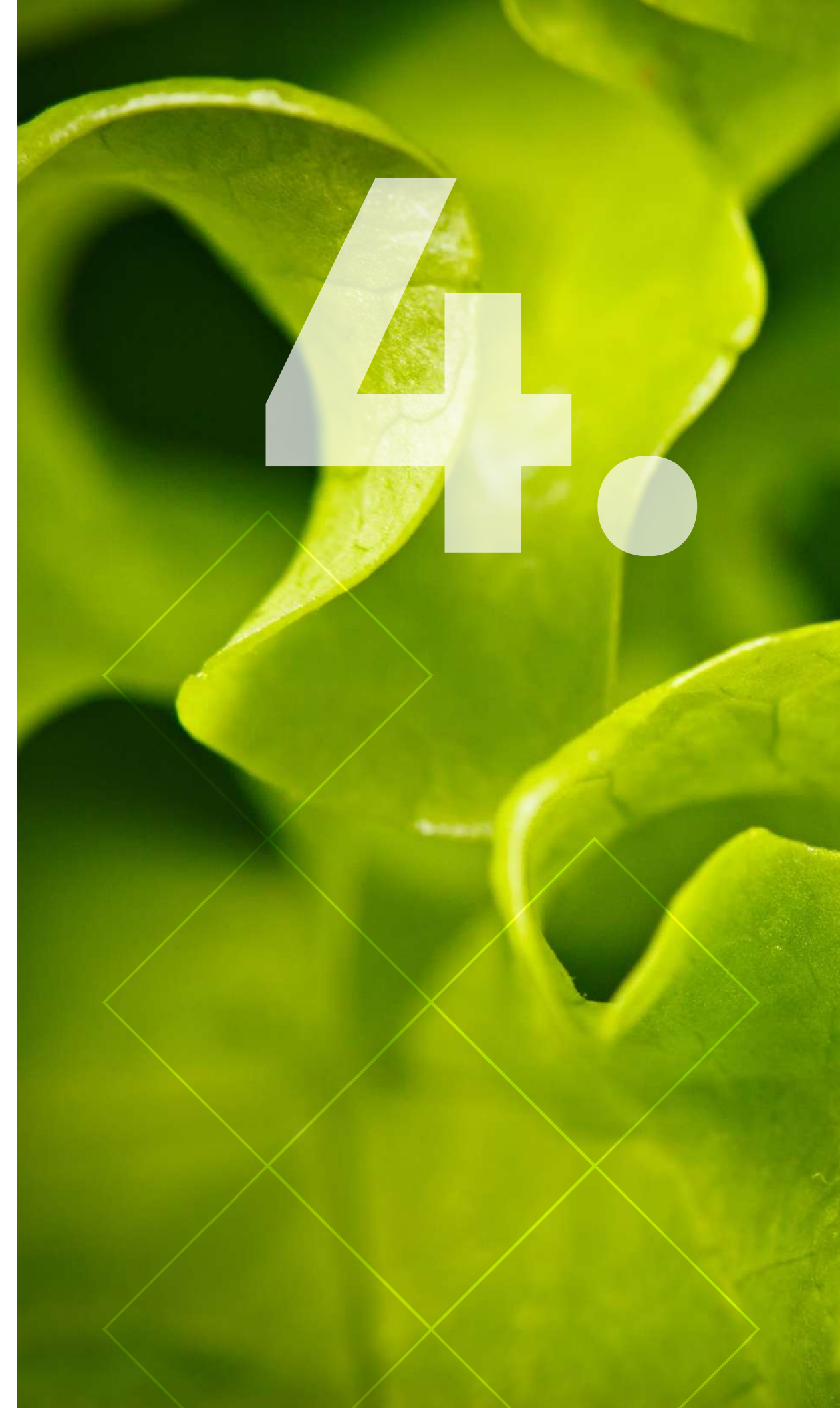
It's time for businesses to act decisively. Consumers are influenced by how companies integrate sustainability and create long-lasting value. Therefore, businesses must innovate to attract customers with compelling offers, commercialize sustainable solutions, and implement growth strategies.

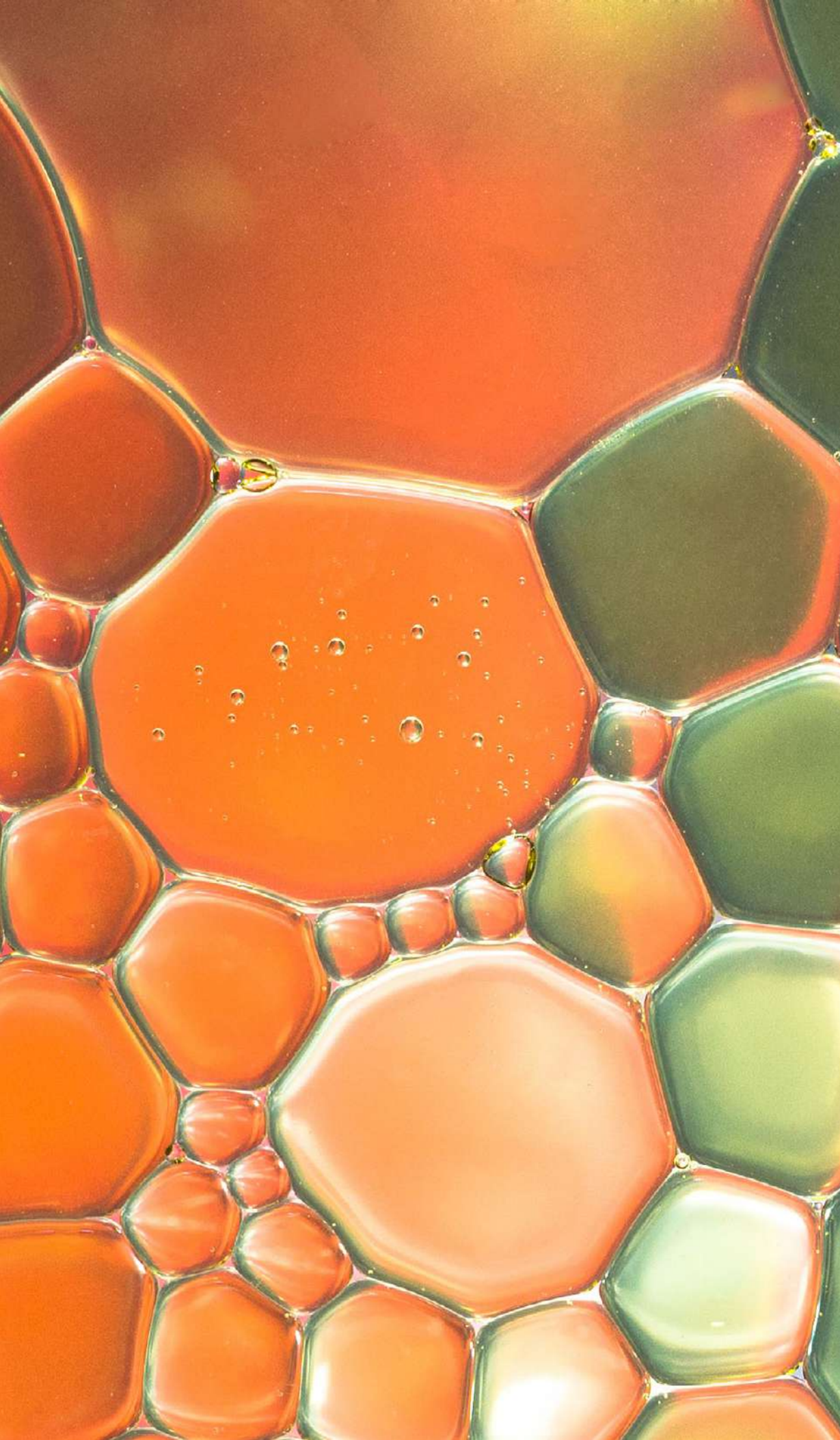
Four key actions to boost your green agenda

Use these findings to align your commercial strategy with sustainability goals.

1. Target the right customer segments

Sustainability means different things to different people. A one-size-fits-all approach fails to recognize diverse sustainability needs across various customer and market segments. Focus on segments that prioritize sustainability. Understand their needs and tailor your product offerings to align with their values. Targeted marketing strategies can effectively communicate how your sustainable offerings address consumer concerns and what they are willing to pay for these features.





2. Understand consumer expectations

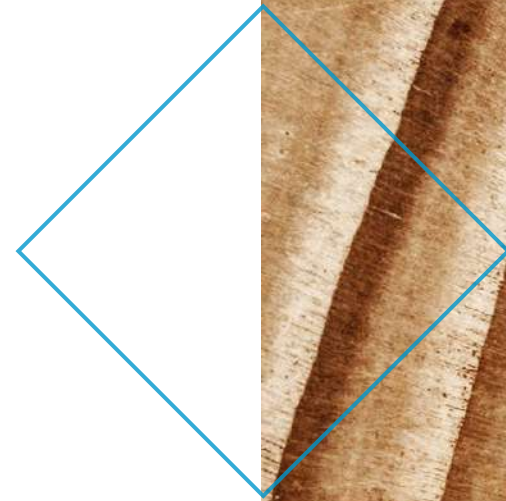
Once you understand consumer expectations regarding sustainability, incorporate relevant criteria into your offerings to build trust. Customers are passionate about environmental issues and invest time in educating themselves. Pursue green business certifications, ethical sourcing, and other sustainability benchmarks to demonstrate honest efforts and maintain transparency. This helps avoid greenwashing charges and builds long-lasting trust. Ensure your products meet or exceed these standards by using eco-friendly materials, reducing carbon footprints, or supporting ethical labor practices. Regularly update your sustainability standards to align with consumer expectations and industry trends.

3. Align pricing with willingness to pay

With consumers actively seeking green alternatives, refine your pricing strategies to improve price perception. Your sustainable offerings need to be competitively priced to match consumer willingness to pay. Address the affordability barrier by prioritizing production cost management. Reduce costs without compromising sustainability by improving sourcing and streamlining manufacturing processes. Introduce pricing strategies like tiered pricing or bundling options to make sustainable products more accessible while maintaining profitability.

4. Communicate added value

A compelling sustainability story is invaluable in communicating the positive impact of choosing your products. Strengthen your company's sustainable proposition by conveying the added value and benefits of your sustainable offerings. Build trust and credibility with consumers by openly discussing your sustainable practices, certifications, and initiatives transparently and authentically. Highlight how your green alternatives help the environment and the ethical benefits of your offerings. Use various marketing channels to demonstrate your brand's value proposition and how it aligns with consumers' desire to make a positive impact. This connection will build customer loyalty and retention.





5.

Drive sustainable growth with Simon-Kucher

In 2024, consumers see themselves as the primary drivers of positive environmental change. However, they increasingly look to businesses for support in guiding and expanding their sustainability efforts.

If you're struggling to make a real impact in your commercial strategy, our 2024 consumer insights can help you develop a profitable value proposition centered around sustainability.

At Simon-Kucher, our consultants have a deep-rooted understanding of commercializing sustainability across different industries. We provide comprehensive support, from opportunity assessment and target segmentation to market strategy, commercial game plans, and implementation.

Our experts can help you scale your sustainability transformation, keeping your consumers at the heart of your business growth. Contact us to advance your green agenda and drive sustainable growth.

Authors



Andreas von der Gathen

CEO | Bonn, Germany

andreas.gathen@simon-kucher.com



Olivier Hagenbeek

Director | Amsterdam, The Netherlands

olivier.hagenbeek@simon-kucher.com



Nicolai Broby Eckert

Senior Partner | Copenhagen, Denmark

nicolai.brobyeckert@simon-kucher.com



Mirnesa Ibisevic

Manager | Amsterdam, The Netherlands

mirnesa.ibisevic@simon-kucher.com

About Simon-Kucher

Simon-Kucher is a global consultancy with more than 2,000 employees in 30 countries. Our sole focus is on unlocking better growth that drives measurable revenue and profit for our clients. We achieve this by optimizing every lever of their commercial strategy – product, price, innovation, marketing, and sales – based on deep insights into what customers want and value. With nearly 40 years of experience in monetization topics of all kinds, we are regarded as the world’s leading pricing and growth specialist.



Follow us on



Discover more on

[simon-kucher.com](https://www.simon-kucher.com)

© 2024 Simon-Kucher & Partners Strategy & Marketing Consultants GmbH. All rights reserved.

Photo credits: Gettyimages, istock

SIMON 
KUCHER
Unlocking better growth

