



Ethical Consumerism in the Pandemic

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Overview

The Co-op's unique Ethical Consumerism Report has tracked total UK ethical expenditure every year for the past two decades.

For the end of 2019, we report that ethical consumer spending and finance in the UK reached record levels at some £98bn (supporting data can be found on page 5). This Report, however, mainly focuses on how the pandemic in 2020 has impacted on people's predisposition to continue to shop ethically. The big winners appear to be shopping locally, reducing energy consumption and cycling more, with public transport set to be the big loser, at least in the short term. In terms of food shopping, Fairtrade and Organic have also out-performed the market and look set to continue to benefit post-pandemic.

Key Findings

Ethical food and drink

In terms of ethical food shopping, Fairtrade sales increased 13.7% between October 2019 and October 2020 (ahead of total grocery, increased by 9.4%¹). This is set to strengthen even further as 28% of people plan to purchase Fairtrade in the future, compared to just 15% pre-pandemic.

Meanwhile, Organic sales increased by 19% in the 12 weeks ending May 2020² and 19% of people intend to buy organic products after the pandemic, compared to 8% pre-March 2020. This suggests an increased public appetite for higher quality produce.

Sales of meat-free and dairy-free products increased by 25% and 28% respectively in the 12 weeks ending April 2020³. Going forward, 30% of people intend to eat less meat and dairy than before. This change is likely due to people paying more attention to their health, the environment and/or animal welfare, as these topics are increasingly dominating the public's decision making.

Plastic use

Intention to reduce the use of single-use plastics is set to increase with 54% saying that they will be even more focused on this issue post-pandemic. This is despite many having reverted to single-use coffee cups and shopping bags for hygiene reasons, and the widespread need for disposable PPE during the pandemic.

Local shopping

People spent around £3.4bn in local shops during 2019, and as people continue to stay close to home, this figure is set to increase significantly in the future. Research has indicated that 60% of consumers have said that post-pandemic they expect to buy from local shops (compared to 40% shopping locally pre-Covid), giving a promising indication to independent retailers outside of major towns and cities for 2021 and beyond.

Energy use

Working from home during lockdown appears to have focused consumers on energy use with 44% of people claiming to have reduced energy use during the pandemic, while 52% of people said they will be looking to reduce their usage post-lockdown. This comes on top of a huge 338% increase in spend on green electricity tariffs in 2019, up to £4.8bn.

Second-hand shopping

Inevitably, due to shop closures, sales of second-hand items at charity shops have been badly hit in the pandemic with 21% of people spending less than usual. Despite this, the future bodes well with 42% of people planning to buy second hand in the future. However, spend on second-hand clothing has fared much better during the pandemic. This could be attributed to the rise of apps such as Depop, which doubled in subscribers between March and May 2020.

Transport

The biggest loser this year appears to be public transport. Whilst inevitably usage crashed during lockdown, people appear to be cautious about using public transport after the pandemic. Currently, 51% of people are using public transport less often than they did pre-Covid; and whilst the numbers using public transport are set to increase post-pandemic, 16% of people still plan to avoid travelling with others in the future. Issues around congestion and personal space appear to be affecting people's willingness to jump back on trains and buses.

The corollary to this is the spike in interest in cycling. Around 45% of people are interested in cycling or walking wherever possible post-lockdown and multiple reports show a surge in demand for bicycles - a Guardian article on the topic claimed that "Britons bought 60% more bikes in April"⁴.

1. Kantar, FMCG panel, 52 w/e October 2020

2. [theguardian.com/environment/2020/sep/03/uk-organic-food-and-drink-sales-boom-during-lockdown](https://www.theguardian.com/environment/2020/sep/03/uk-organic-food-and-drink-sales-boom-during-lockdown)

3. www.thegrocer.co.uk/plant-based/meat-and-milk-supply-struggles-push-brits-to-plant-based-options/604859.article

4. www.theguardian.com/business/2020/jun/26/bike-boom-uk-sales-up-60-per-cent-in-april-as-covid-19-changeslifestyles

Comparing Ethical Behaviours: before, during and after lockdown

Survey based on nationally representative group of 2,138, individuals in the UK, aged 18+.

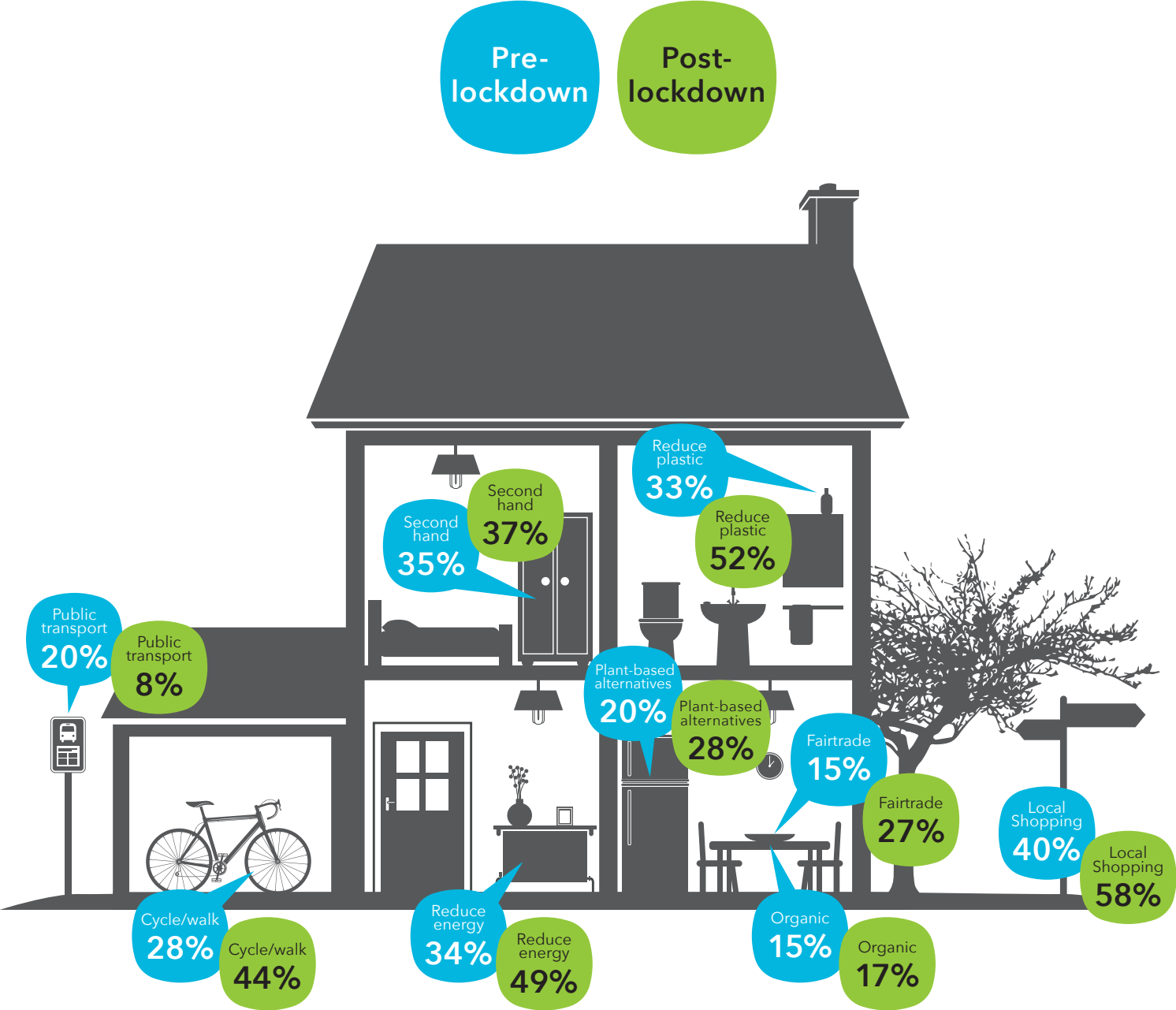


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Pre-lockdown vs. Post-lockdown behaviour change

Data is based on the survey responses found in the table on page 3.

‘Post-lockdown’ data refers to the net score between those who intend to do more and those that intend to do less of the activity in question.



Ethical Consumerism in the UK, 2019

Ethical Food and Drink	2010 £m	2018 £m	2019 £m
Organic	1,475	2,208	2,298
Fairtrade	1,094	1,603	1,671
Rainforest Alliance	1,198	3,243	3,288
Free Range Eggs	419	758	873
Vegetarian & Plant-based Alternatives	541	1,000	1,114
RSPCA Assured (Freedom Food)	573	2,190	2,378
Sustainable Fish	121	962	899
SUBTOTAL	5,421	11,964	12,521
Green Home	2010 £m	2018 £m	2019 £m
Energy Efficient Appliances	2,068	3,003	2,998
Energy Efficient Boilers	2,332	3,713	4,644
Micro Generation	249	138	136
Energy Efficient Light Bulbs	43	149	173
Ethical Cleaning Products	42	59	68
Sustainable Timber and Paper	1,655	1,308	1,499
Buying for Re-use	823	943	771
Green Electricity Tariffs	432	974	4,836
SUBTOTAL	7,644	10,287	15,125
Eco-travel & Transport	2010 £m	2018 £m	2019 £m
Alternative Fuel Vehicles	n/a	3,599	5,053
Tax Band A Cars	846	1,282	733
Bicycles	795	925	940
SUBTOTAL	1,641	5,806	6,726
Ethical Personal Products	2010 £m	2018 £m	2019 £m
Ethical Clothing	63	50	53
Buying for Re-use - Clothing	321	734	727
Ethical Cosmetics	525	832	882
SUBTOTAL	909	1,616	1,662
Community	2010 £m	2018 £m	2019 £m
Local Shopping	2,330	3,477	3,420
Charity Shops	359	732	756
Charity Donations	3,040	7,260	7,138
SUBTOTAL	5,729	11,469	11,314
TOTAL	21,344	41,142	47,348
Boycotts	2010 £m	2018 £m	2019 £m
Food and Drink	1,084	1,627	1,565
Transport	1,068	2,085	2,160
Personal	333	859	591
SUBTOTAL	2,485	4,571	4,316
Ethical Money	2010 £m	2018 £m	2019 £m
Ethical Banking	9,043	19,119	19,665
Ethical Investment	11,300	19,138	23,602
Credit Unions	1,552	2,774	2,994
Ethical Share Issues	52	230	230
SUBTOTAL	21,947	41,262	46,491
Building Societies		262,382	275,251
GRAND TOTAL	45,776	86,975	98,155

Ethics and Sustainability at the Co-op

The story of ethical consumerism in the UK cannot be told without reference to the Co-op. Co-op has supported Fairtrade for 25 years and boasts many Fairtrade firsts including selling the first Fairtrade banana in the UK and being the first supermarket to start selling Fairtrade products in every store. The retailer has continued to increase its commitment ever since and is proud to be the UK's largest retailer of Fairtrade products and the world's largest seller of Fairtrade wine. More recently, Co-op has introduced compostable carrier bags, committed to achieving net zero greenhouse gas emissions by 2050 and 100% recyclable packaging in 2021.

About this report

The Ethical Consumer Markets Report has been produced annually since 1999 and acts as a barometer of ethical spending in the UK.

In this report, ethical consumerism is defined as personal allocation of funds, including consumption and investment, where choice has been informed by a particular issue – be it human rights, social justice, the environment or animal welfare.

Community and Charity expenditure includes a combination of charity shop sales and donations to charities involved in activities such as human rights or animal welfare. Local shopping includes consumer expenditure in what they consider to be 'local shops' within their community, e.g. independent stores.

Further information

Twenty Years of Ethical Consumerism was produced by the Co-op, in partnership with Ethical Consumer.

This booklet represents the authors' personal opinions and interpretation of the subject and not the views, opinions or policies of Co-op. This booklet may not be reproduced without the express permission of Co-op or the authors.

Previous reports are available at:

www.ethicalconsumer.org/research-hub/uk-ethical-consumer-markets-report

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