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Sustainability in the retail industry

The request for sustainable products amongst global consumers is increasing year by year, leading the retail industry to follow the tendency. Over the past 4 years, the number of consumers being willing to pay more for sustainable goods has increased from 50% to 66%. However, good intentions are not enough when following through on everyday sustainable decision making. The gap between what we intend to do and what we end up doing stays the same.

The explanation for this is to be found in the human brain and our energy saving processes, on which 90% of our decision making is based on immediate impressions like colors, sounds and placement of products in our surroundings. This makes both the layout, interior and package design the most powerful piece of design or "choice architecture," as we call it, when wanting to deploy sustainable consumption habits.

But figuring out what and how to design for positive behavioral changes is the real challenge and opportunity retailers are facing today. The ones mastering this will become the leader of future consumer markets.

Never base innovation on assumptions.

Retailers have to learn how to integrate behavioral observations and data collections into optimization processes. This will enable them to understand patterns and barriers before entering into such processes and thereby eliminating the risk of basing innovation on false assumptions and - worse - lead to no results. Retailers, who wish to work actively and support a more sustainable consumer journey, putting green ambition into action on an everyday basis have to take the following into consideration.



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Three steps to change behavior effectively:

- Changing real-life habits requires real-life insights. Always start development processes with a short insight round, using observations and interaction data to document and describe existing behavioral patterns and choice architecture.
- Leave the desk and look for barriers! Psychological barriers in the design of our surroundings are what is keeping us from succeeding with positive behavior change. Barriers come in many shapes and sizes and can for example be found in poorly designed labelling or over complex information streams. This, however, can again only be detected by actually getting out there, in the consumer space.
- Measure and create evidence. Test, iterate and learn. When it comes to behavior, there are no “one fits all”-solutions, we have to test solutions in real-life settings to document effects, create evidence for what actually works and to document costs and the revenue stream related to the change in environments.

For more insights on applied behavioral science and practical examples, go to www.krukow.net or listen to the @Green-PreneurShow, in which Tanis Ellis and myself share our points of view on sustainable companies and nudging.

Bibliography: The Nielsen Company, Oct. 2015