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Analysis: Just how Green are Online Fashion Retailers?

Arvato Supply Chain Solutions looks at sustainability in German Fashion E-Commerce

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Guetersloh – Sustainability is gaining in importance for online Fashion retail. Increased demand from customers for "green" products is quickly growing this segment. Fashion companies are themselves grappling with the effect of their business on the environment and are increasingly interested in ways to make their business models - and online shop products - sustainable. Despite the marketing being seen on the move to organic cotton or a circular economy, a look at the product ranges for most brands prompts the question of just how sustainable the measures they have taken are. To find this out, the eCommerce Competence Center from Arvato Supply Chain Solutions took stock of German online fashion retail, evaluating the activities of 50 textile brands and retailers.

The number of customers who are concerned with reducing the carbon footprint in their purchasing behaviour is continuously growing. This is also the case with online shopping, shown by the constant growth of searches on the keywords "sustainability" and "sustainable fashion". For this reason, more and more fashion companies are making a concerted effort to create a more ecological image for themselves. Of the textile companies studied, 34% use their own logos and slogans to signal their commitment to the environment and draw customer attention to their sustainable product range. But the wording being used in the market to describe the sustainability of a product is neither transparent nor defined in detail, further complicated by the fact that an official certification does not exist. The study also provides an overview and comparison of quality seals issued from associations and organizations, showing the level of transparency provided to the customer. Additionally, the ecological standards which are linked to these seals – and what percentage of the industry really uses them – is also revealed.

Sustainable Online Shops and Products

Proof that sustainability has already arrived in e-commerce is found in the structure of online shops. According to the study, this topic already plays an important part in the navigation for two-thirds of all fashion brands examined – but often still with secondary relevance. Less than a quarter of all fashion companies place a greater focus on sustainability in their web shop communication by placing sustainability on the first level of shop navigation. In more than 60% of the cases, sustainability remains in the background, generally shown as information in product presentation – this is often due to the small share of sustainable products available. Similarly, only 30% of the companies in the study offered sustainability as a filter criteria in the product search. However, specially labelled product images and descriptions can help customers to quickly identify and find

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sustainable products. “If you look closer, it becomes obvious that there is an enormous difference in the level of information provided to customers,” says Franziska Kier, Head of the eCommerce Competence Center. “It ranges from the use of empty Greenwashing clichés to detailed material and manufacturing descriptions.”

The range of sustainable products still insufficient

Even as fashion companies show their skill in marketing the measures being taken to ensure sustainability, the actual range of goods available to purchase is still painfully small. The percentage of sustainable products is still under 5% in almost half of all companies. Only 9% offer a sustainable range spanning more than 25%, but even here very few products are officially certified. Most fashion brands rely on the use of organic cotton and recycled polyester, often attempting to use innovative and environmentally friendly fiber in production. According to the study, the majority use at least one of these materials in their product range. The importance of alternative strategies for recycling and reusability has also gained importance. In the past, end customers simply brought their old clothing to textile recycling, but today the trend is clearly moving towards recommerce. “Even classic retailers and brands like Zalando and H&M have jumped on the bandwagon and now offer customers new recycling options,” explains Franziska Kier. “Parallel to this we see the establishment of so-called Fashion-as-a-Service-Models in e-commerce which follow the principles of the Sharing-Economy and lend clothing out.”

Not just in the production and disposal of textiles, but also logistics offers massive potential for new sustainability concepts. For this reason, the study also delves into “green options” from CEP service providers and for packaging, which have, up until now, not been adopted to a wide extent. “Aside from the fashion companies themselves, consumers must also of course take responsibility,” adds Franziska Kier. “But surprisingly enough, it is exactly the young generation who are pushing the topic of sustainability whose behaviour continues to be quite ambivalent. A clear example is the success of the textile discounter Primark who offers fast fashion at an extremely low price.”

The full study is available for download here: <https://arva.to/whitepaper-sustainability>

About Arvato Supply Chain Solutions:

Arvato Supply Chain Solutions is an innovative and international leading service provider in the field of supply chain management and e-commerce. Partners come together with industry specialists in the fields of Telecommunication, Hightech, Entertainment, Corporate Information Management, Healthcare, Consumer Products and Publisher.

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