

Online retailer survey 2020: **Sustainability in Swiss e-commerce**

A B2B study by Swiss Post and the Institute of Communication and Marketing IKM at the Lucerne University of Applied Sciences and Arts



How sustainable is Swiss digital commerce from a retailer's point of view?

This question was answered by Swiss Post in cooperation with the Lucerne University of Applied Sciences and Arts (HSLU) in the 2020 online retailer survey. Data was gathered from March to July 2020 in a quantitative online survey. 227 online retailers took part in the survey.

Ecological (e.g. resource-preserving production) and social (e.g. fair working conditions) aspects were surveyed in relation to sustainability over various phases along the value chain of online shops (e.g. product range selection, shipping or cooperation with partners).



Study design

The purpose of the study

The aim of the study was to find out how Swiss online retailers approach the topic of sustainability, what measures they implement and what challenges they face. Sustainability data was collected and analyzed along the entire e-commerce value chain in online retail. A quantitative empirical study was chosen as the research approach. In order to reach the largest possible number of potential study participants, the survey link was distributed in a targeted manner across Swiss digital commerce networks.

The survey contained a total of 22 closed, 1 semi-open and 3 open questions relating to the following themed sections: product range, online shop operation, intralogistics & storage, shipping and packaging, returns, cooperation with partners, consumer needs, priority topics, competitive edge, communication and marketing, as well as type and size of the online shop.

Data was gathered from March to July 2020 in a quantitative online survey. 227 online retailers took part in the survey.

Study design

Sample structure



Sample size

227 online retailers



Survey period

3 March to 31 July 2020



Method

Quantitative online survey



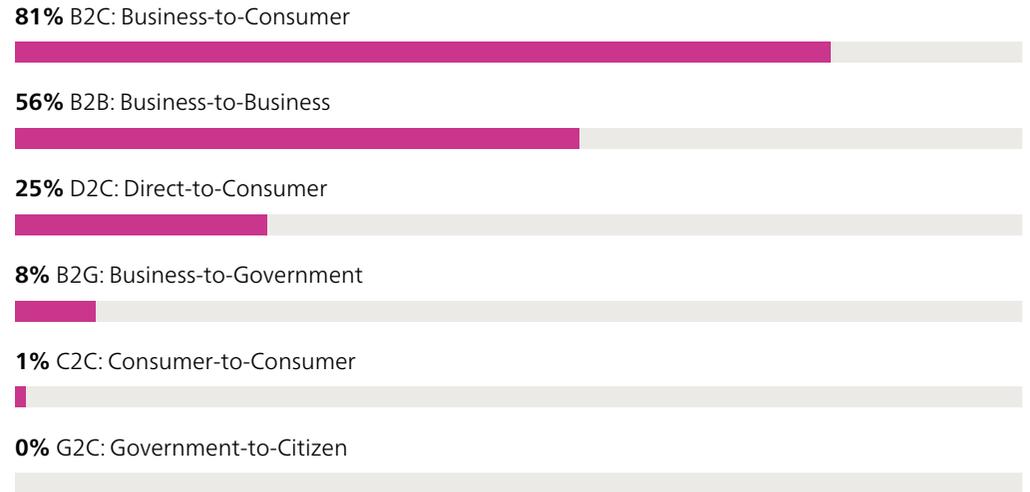
Questions

22 closed, 1 semi-open and 3 open questions

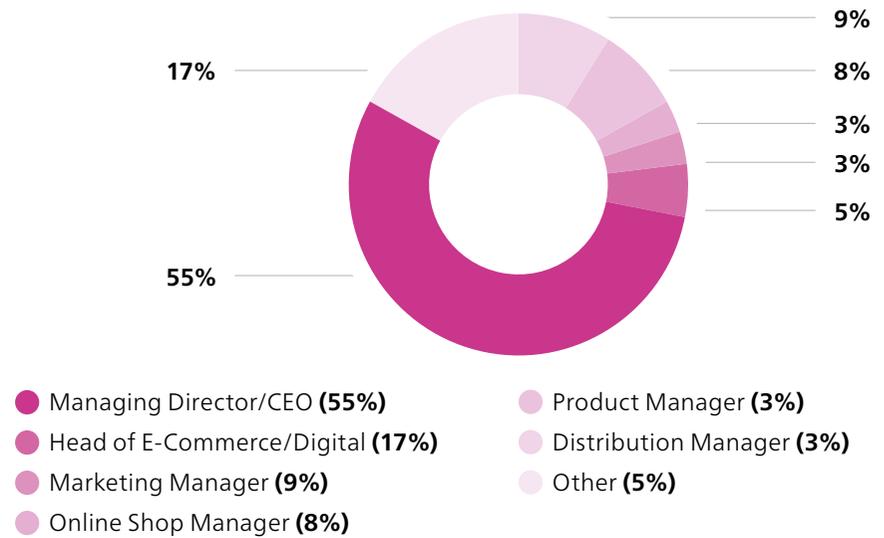
Study design

Sample structure

Business relationships of the online shop



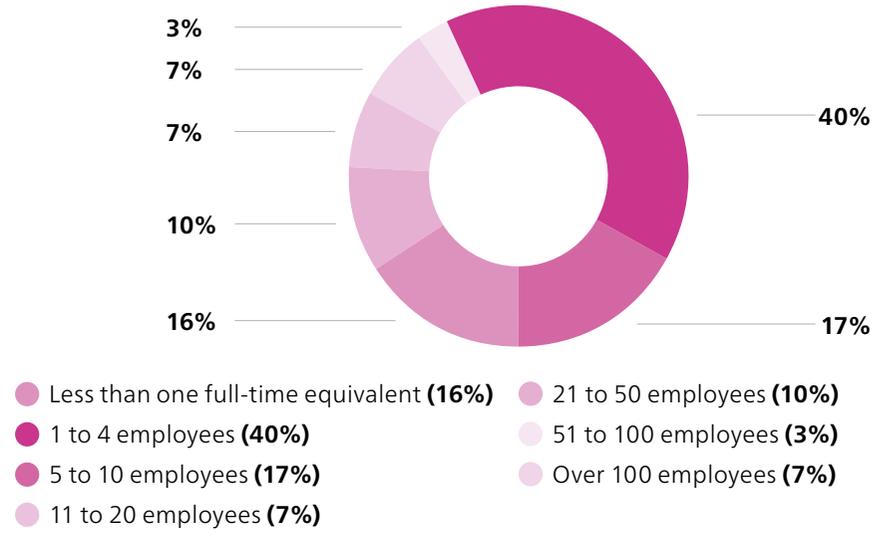
Position in company



Study design

Sample structure

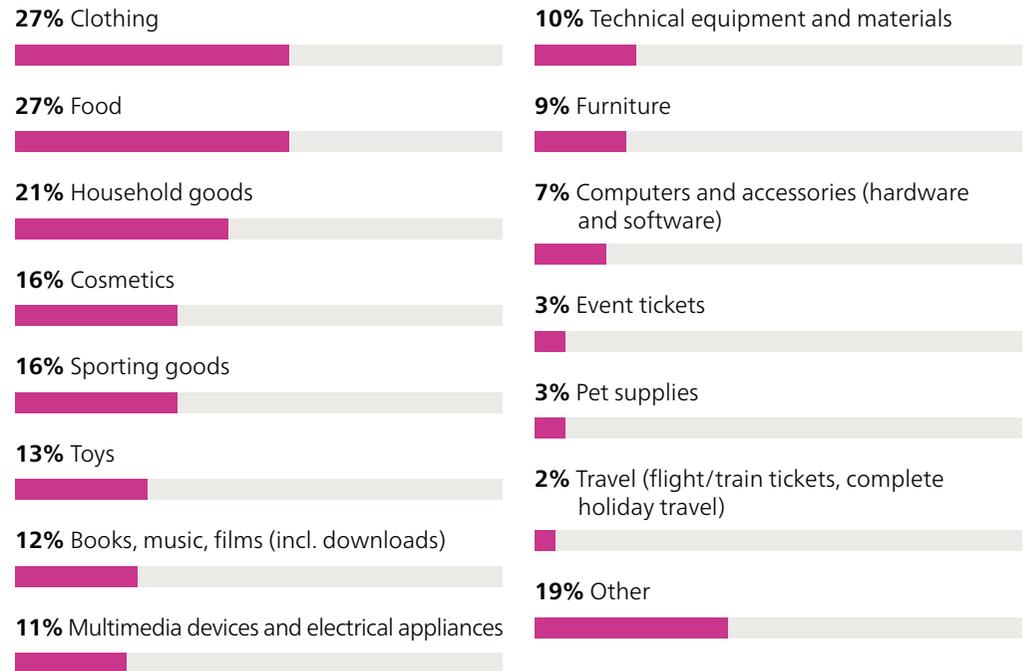
Number of employees for online shops



Study design

Sample structure

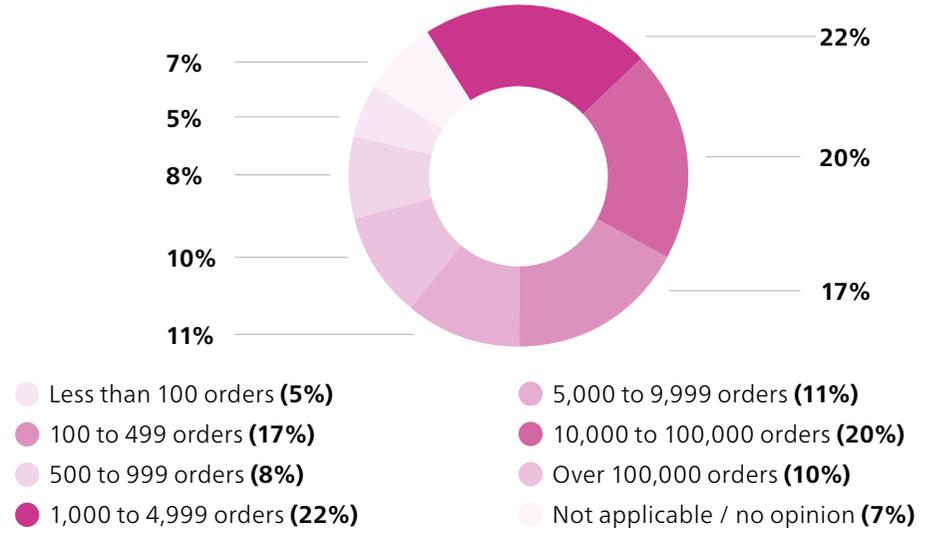
Product categories of participating online shops



Study design

Sample structure

How many orders did your online shop receive in 2019?



Overview of Topics

Product range	10
Operation of the online shop	13
Intralogistics and storage	14
Shipping and packaging	15
Returns	21
Cooperation with partners	24
Consumer requirements	26
Strategically important topics and competitive edge	28
Communication and marketing	30

Product range

1. As an estimate, how high is the percentage of products included in your range that are manufactured in an eco-friendly manner or under fair working conditions?

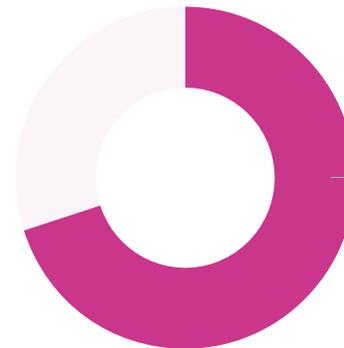
The social aspect is being taken into consideration more strongly than the ecological aspect.

Ecological aspect



Products manufactured in an eco-friendly way **(52%)**

Social aspect



Products manufactured under fair working conditions **(77%)**

Product range

2. Which of the following statements apply when it comes to selecting your product range?

When selecting product ranges, social aspects are just as important as product costs.

76% Social aspects (e.g. fair working conditions during manufacture) are just as important as product costs

56% Environmental aspects (e.g. resource conservation or the avoidance of carbon emissions during manufacture) are just as important as product costs

48% For products coming from abroad, we use the most sustainable transport options (e.g. train or avoidance of air transport)

36% We select regional products for our range, so that we can avoid carbon emissions by using the shortest possible transport routes

18% Carbon emissions that cannot be avoided during transport are offset with corresponding certificates/projects (climate neutrality)

Product range

3. How is the sustainability of the products communicated within your online shop?

Sustainable products are not actively promoted or easy to find.

49% Sustainability aspects are integrated into the product descriptions



14% Sustainable products are highlighted and marked as such



11% When searching for products, there is a specific filter for sustainable products or sustainability aspects



39% None of the above



Operation of the online shop

1. Which of the following statements applies to the operation of your online shop?

When choosing IT solutions, greater emphasis is placed on sustainability than operation of the shop.

60% We conduct our business in a way that generates as few carbon emissions as possible (e.g. video conferences instead of travelling or appropriate transport choices for business trips)



46% We use IT solutions that have minimal power requirements (incl. power for cooling)



43% We use IT solutions that leave the smallest possible carbon footprint (manufacture, operations, disposal).



27% We offset unavoidable carbon emissions (e.g. generated on business trips) in order to be as carbon-neutral as possible



25% Our online shop is fully powered by renewable energy resources



Intralogistics and storage

1. Which statements apply to intralogistics and warehousing in your company?

Eco-friendly logistics and storage solutions that conserve resources tend to lower costs and thus lead to wider distribution.

68% Our warehouse is operated in a resource-friendly manner (e.g. low power consumption)



58% We optimize transport capacities (e.g. to branches or distribution center)



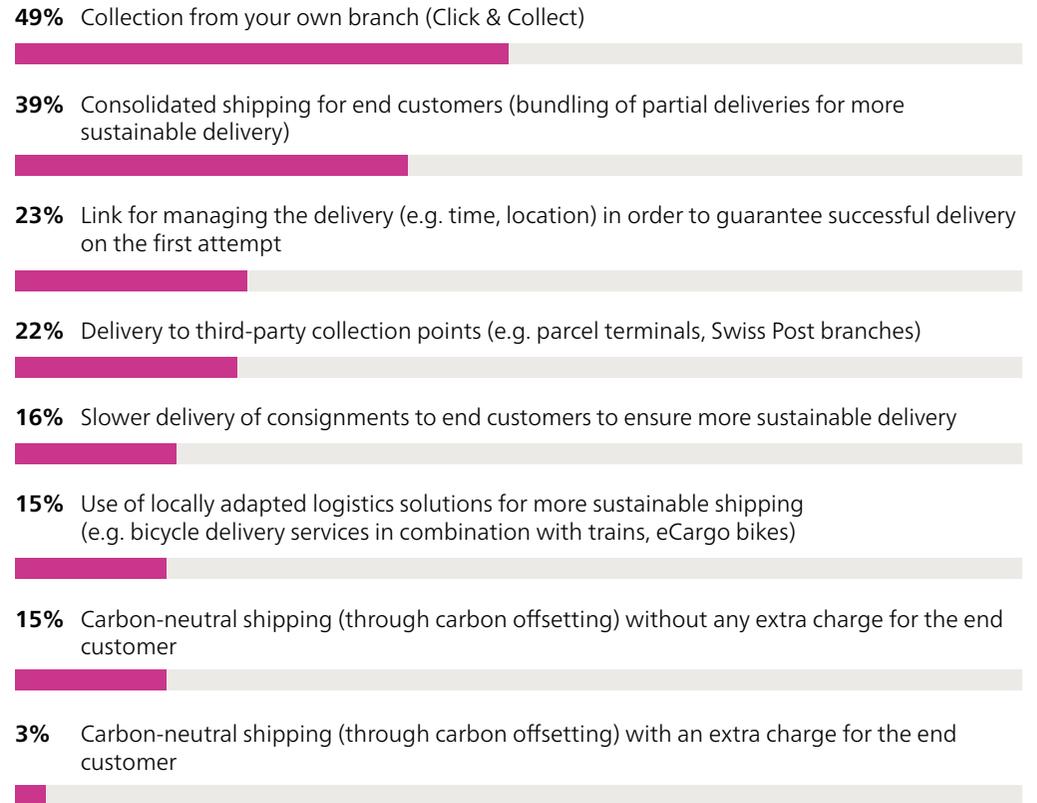
30% Our warehouse is fully powered by renewable energy resources



Shipping and packaging

1. Which of the following environmental shipping options do you offer your customers?

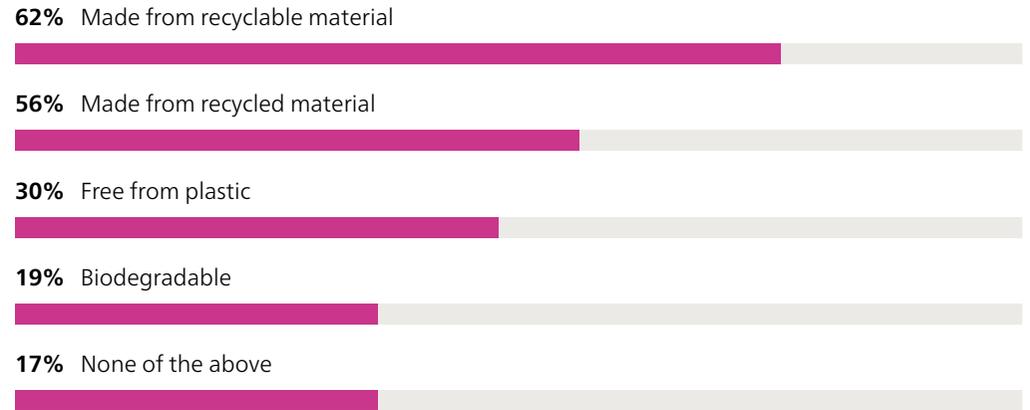
Click & Collect and bundled deliveries are the options most frequently available. Almost every 6th online shop provides options that are more complex to implement (slower or locally adapted delivery) or carbon-neutral shipping without extra charge.



Shipping and packaging

2. Which of the following criteria are met by the packaging material for the products ordered?

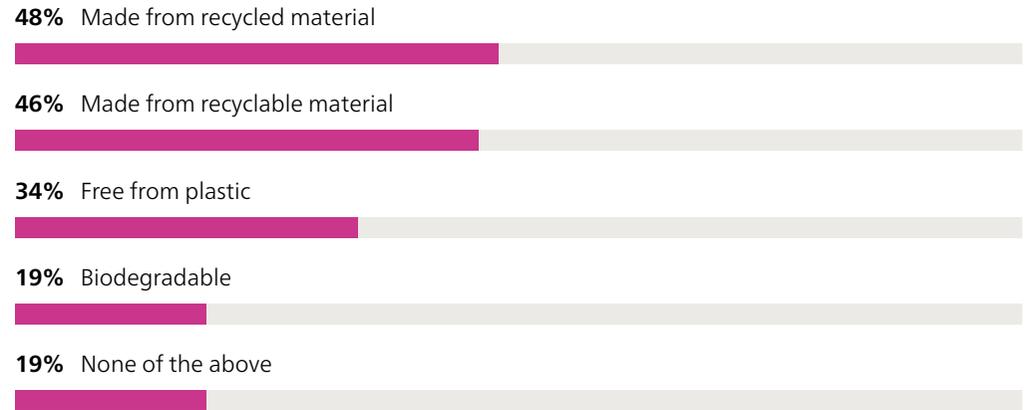
The majority of the online shops use recycled material for their packaging. One third manage to avoid any use of plastic.



Shipping and packaging

3. Which of the following criteria are met by the filler material for the products ordered?

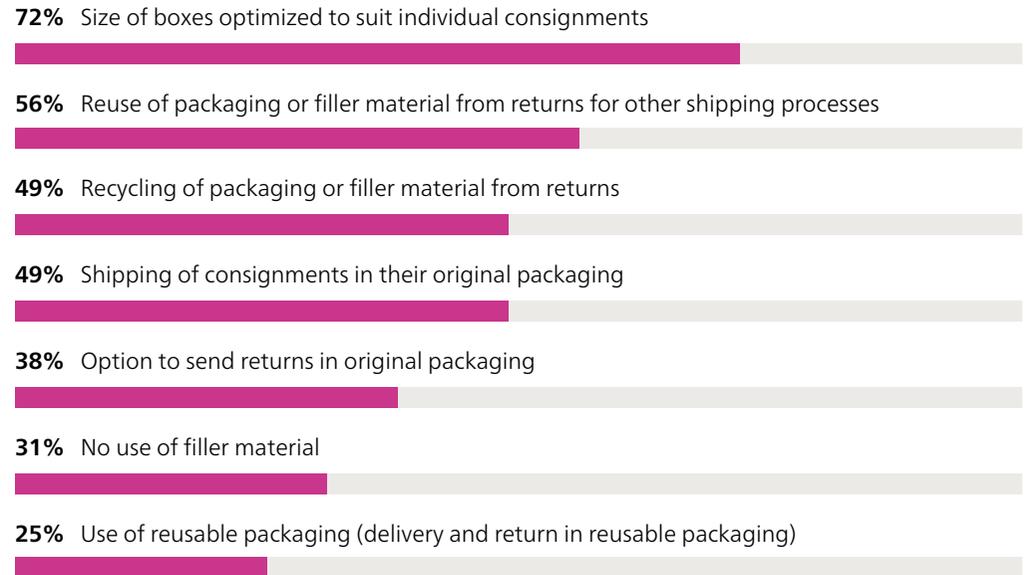
One third of online shops manage to avoid any use of plastic.



Shipping and packaging

4. Which of the following aspects are already implemented by your company when it comes to your packaging system?

Around half of online shops do not use any additional packaging material or reuse the packaging/filling material from returns.



Shipping and packaging

5. To what extent do the following statements apply to the shipping logistics at your company?

There is a high to very high level of willingness to introduce logistics solutions that are more sustainable.

75% We are open to sustainable logistics solutions, e.g. over the last mile



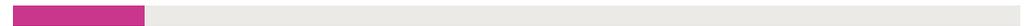
58% We are open to the use of sustainable logistics solutions jointly with other online shops



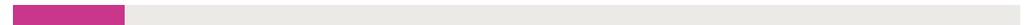
26% We consider sustainable shipping just as important as other strategic approaches



13% We inform our customers about sustainable delivery options



11% We try to positively influence our customers to choose sustainable delivery options



Shipping and packaging

6. What do you consider to be the biggest challenges when it comes to sustainable logistics/sustainable shipping?

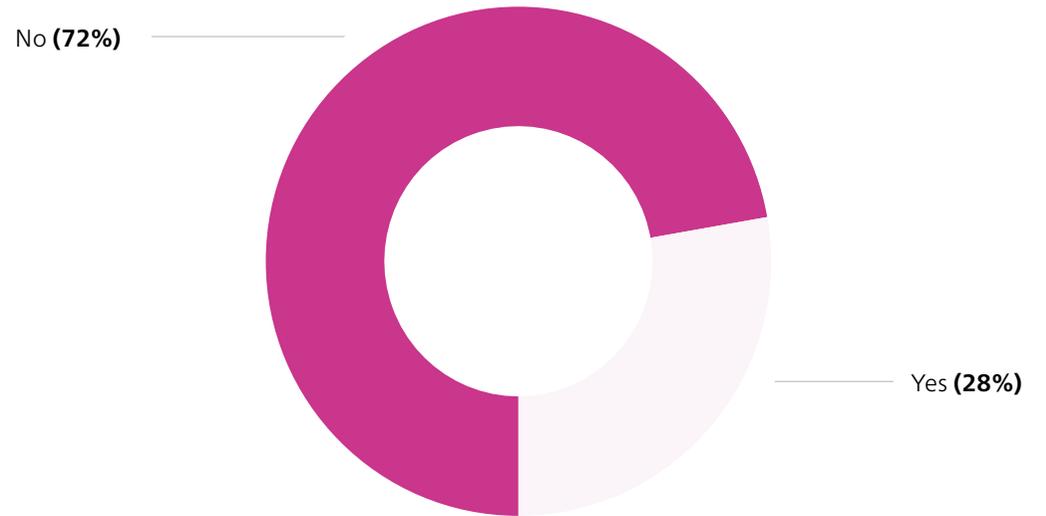
Maintaining reasonable costs and the reluctance of customers to pay are perceived as posing the greatest challenges.



Returns

1. Do you offer a free returns service?

Three out of ten Swiss online shops surveyed offer a free returns service.



Returns

2. How high is the percentage of returns in your online shop?

The proportion of orders returned to online shops with free returns is 12% compared to 5% for those without free returns.

12% Share of returns for online shops that offer free returns



7% Proportion of returns across all online shops



5% Proportion of returns for online shops without free returns



Returns

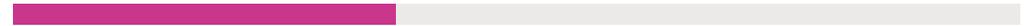
3. Which of the following statements applies to the returns policy at your company?

Returns are more likely to be sold as new goods than resold at reduced prices.

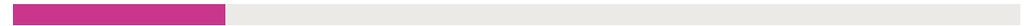
42% Returns are sold again as new items



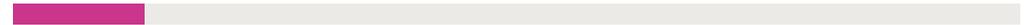
38% Returns that cannot be resold are donated



21% Returns are sold as clearance items at a reduced price



13% Returns are destroyed



9% Returns are passed on to specialized retailers



3% Customers who seldom return items are rewarded with discounts or a bonus system



Cooperation with partners

1. To what extent do sustainability aspects determine collaboration with partners (e.g. suppliers or shipping service providers) in your company?

When it comes to choosing partners, social aspects are more important than environmental ones. Suggestions for a more sustainable retail approach are rarely made.

63% When choosing possible partners, we consider social aspects (e.g. fair working conditions)

50% When choosing possible partners, we consider certification of compliance with environmental or social standards

50% When deciding on whether or not to work with a partner, social aspects (e.g. fair working conditions) are given just as much weight as economic criteria (e.g. costs)

45% When choosing possible partners, we consider environmental aspects (e.g. resource conservation, avoidance of carbon emissions)

36% When deciding on whether or not to work with a partner, environmental aspects (e.g. resource conservation, avoidance of carbon emissions) are given just as much weight as economic criteria (e.g. costs)

29% We verify our partners' compliance with environmental and social standards

18% We actively provide our partners with suggestions as to how they can operate with greater environmental and social awareness

Cooperation with partners

2. How do you verify your partners' compliance with environmental and social standards?

The cooperation with partners is primarily based on trust.

51% On a formal basis of trust with partners (e.g. written assurance)

44% Through the relevant certificates/seals of approval

19% Through third parties (e.g. independent audit institutions)

2% Through the use of technology (e.g. sensors, IoT, blockchain)

23% None of the above

Consumer requirements

1. What is your assessment of consumer needs with respect to sustainability over the **past** two years?

Most providers take the view that the number of consumers looking for information about product origin has increased in recent years.

74% Need for information on the origin of products



65% Sustainability as a criteria when selecting products



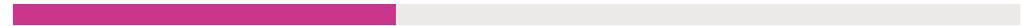
64% Need for information on how products are manufactured



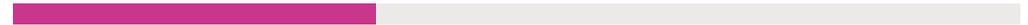
59% Need for sustainable packaging



38% Need for sustainable returns policy



36% Sustainability as a criteria when selecting the online shop



33% Need for information about sustainable transport



32% Need for sustainable shipping options

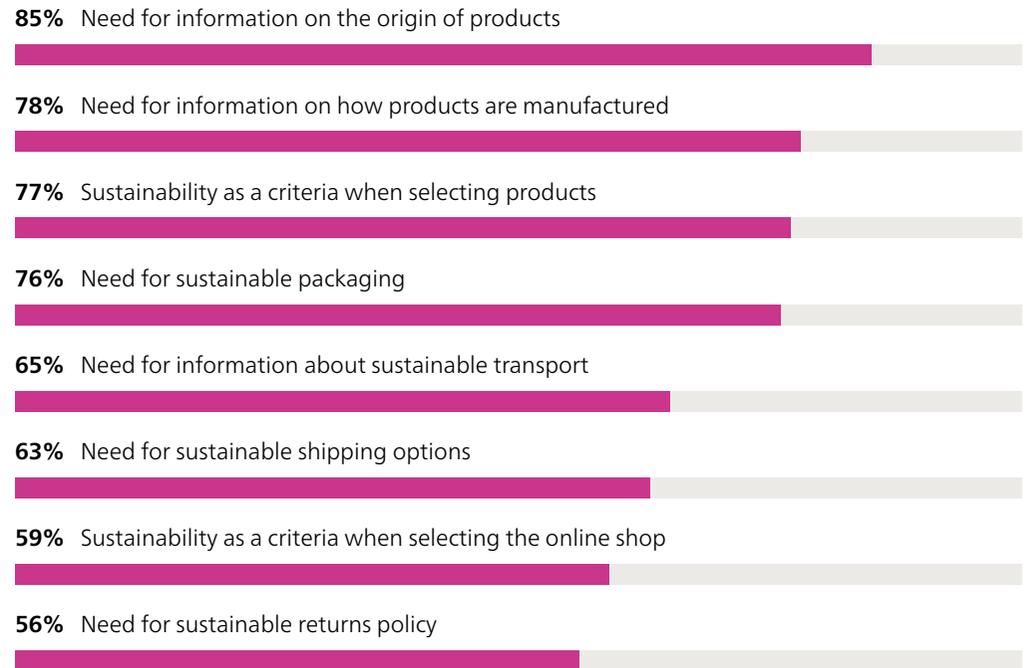


Reported value: Increase

Consumer requirements

2. What is your assessment of consumer needs with respect to sustainability over the **next** two years?

Online shops expect large growth in the need for sustainable shipping options, the need for information on sustainable transport, and sustainability as a criterion when selecting an online shop.

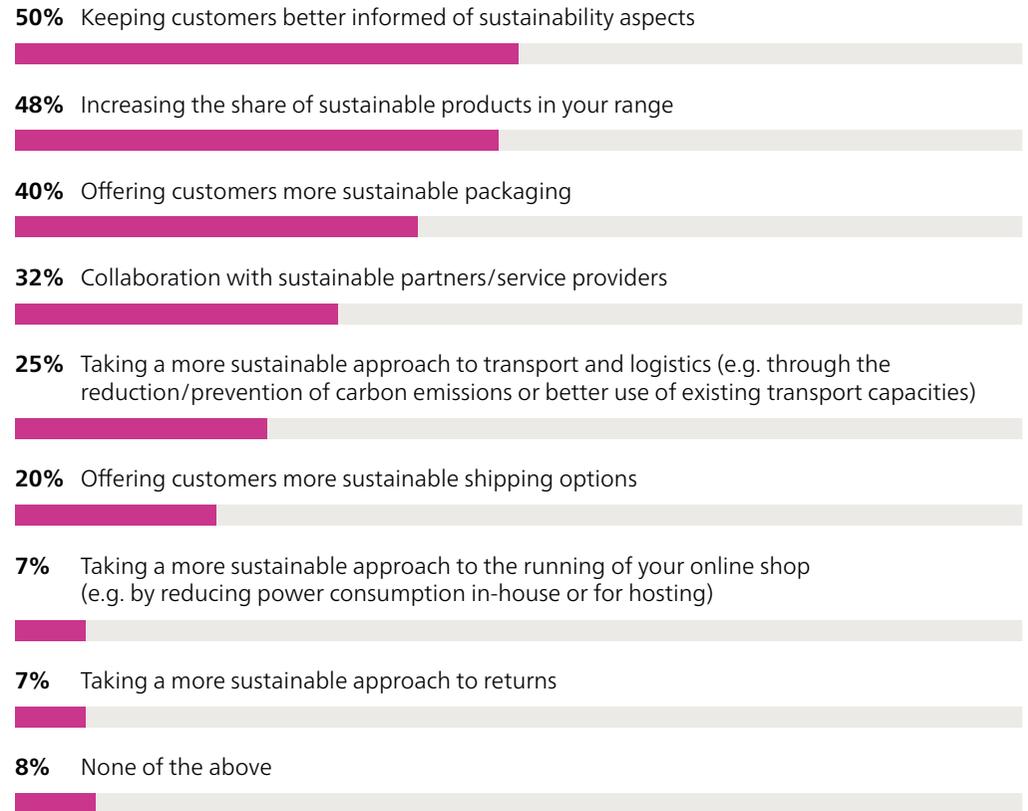


Reported value: Increase

Strategically important topics and competitive edge

1. In your opinion, which of the following sustainability topics will prove the most important for your company over the next 12 months?

The most important topics for the coming year are better information on sustainability aspects for customers and an increase in the proportion of sustainable products included in product ranges.

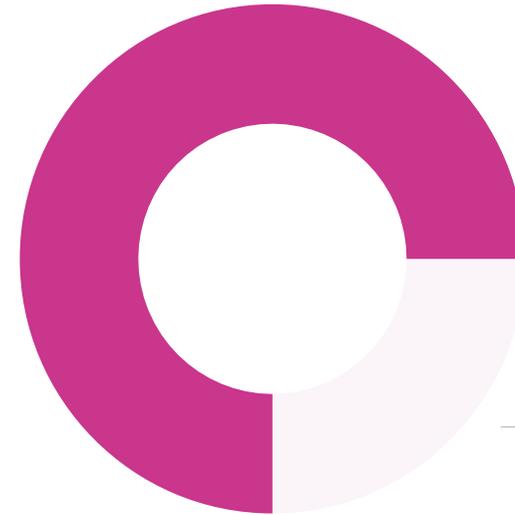


Strategically important topics and competitive edge

2. How do you assess sustainability with respect to your competitive edge?

The majority view sustainability as an opportunity.

Sustainability is an opportunity for us to gain a competitive edge **(75%)**



Sustainability threatens our competitive edge **(25%)**

Communication and marketing

1. In what way do you communicate the sustainability aspects of the products you offer and your processes (e.g. running of online shop or shipping logistics)?

The majority of online shops actively communicate, at least partially, the sustainable aspects of their products. There is not as much information provided about the sustainability of the processes.

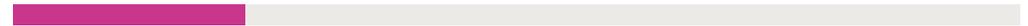
43% The sustainability aspects of our products are actively communicated in our online shop



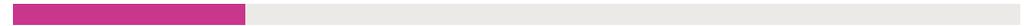
41% The sustainability aspects of our products are an integral part of our marketing and communication strategy



23% The sustainability aspects of our processes are actively communicated in our online shop



23% The sustainability aspects of our processes are an integral part of our marketing and communication strategy





Institute of Communication and Marketing IKM

Lucerne School of Business

The IKM represents the competence fields of communication and marketing at the Lucerne University of Applied Sciences and Arts and continually works to advance these spheres. Special attention is given to the requirements brought about by digitization.

As a competent partner for lifelong learning (LLL), IKM offers training courses in the fields of communication and marketing at Bachelor's and Master's level, as well as continuing education courses at CAS and MAS level.

In the application-oriented world of research and development, the IKM is a dedicated partner to companies and other universities in jointly developing science-based innovations, conducting scientific studies and enabling the use of scientific knowledge for business and society.

More information at: www.hslu.ch/ikm

Lucerne University of Applied Sciences and Arts
Institute of Communication and Marketing IKM
Zentralstrasse 9
P.O. Box 2940
6002 Lucerne

Dr Thomas Wozniak
thomas.wozniak@hslu.ch
www.hslu.ch/ikm

Swiss Post

Swiss Post guides companies through digital retail. As a partner of the Institute of Communication and Marketing IKM at the Lucerne University of Applied Sciences and Arts, Swiss Post actively supports change in digital business, as well as knowledge transfer and generation.

More information at: www.swisspost.ch/digital-commerce

Post CH Ltd
Competence Center Digital Commerce
Wankdorfallee 4
3030 Berne
Switzerland
digital-commerce@swisspost.ch

Post CH Ltd
Competence Center Digital Commerce
Wankdorffallee 4
3030 Berne
Switzerland

digital-commerce@swisspost.ch
www.swisspost.ch/digital-commerce

