ACTION AGENDA
INFORMING SUSTAINABLE CONSUMER CHOICES IN E-COMMERCE
ACKNOWLEDGEMENT

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ABOUT CONSUMERS INTERNATIONAL

Consumers International is the membership organisation for consumer groups around the world. We believe in a world where everyone has access to safe and sustainable goods and services. We bring together over 200 member organisations in more than 100 countries to empower and champion the rights of consumers everywhere. We are their voice in international policy-making forums and the global marketplace to ensure they are treated safely, fairly, and honestly. We are resolutely independent, unconstrained by businesses or political parties. We work in partnership and exercise our influence with integrity, tenacity, and passion to deliver tangible results.
**INTRODUCTION**

The growth of e-commerce is reshaping the way we consume globally. This poses both risk and opportunity for sustainability. The online information environment, with its scale, avenues for co-creation and personalisation, and commercialisation, could push consumers towards more unnecessary and unsustainable purchases. But with the right interventions, e-commerce players can leverage these unique aspects to empower better informed, more sustainable consumption at scale.

This Action Agenda establishes the key steps e-commerce players can take to avoid the risks and build on the opportunities of the online environment for informing sustainable choices. These are to:

1. **Collaborate to create data commons for product sustainability**
2. **Work with third-party sellers and manufacturers to standardise, streamline, and verify sustainability information**
3. **Plan interventions to shift consumer behaviours online**

These recommendations are focussed on large e-commerce platforms, which dominate business-to-consumer retail sales globally. For example, Amazon accounts for 38% of market share in Europe, Mercado Libre for 51% in Latin America, Shopee for 48% in Southeast Asia, Jumia for 45% in Africa, Taobao for 32% in China (Webretailer, 2021). With size comes power and responsibility to shift the marketplace in decisive ways. The approach in this document is shaped by a commitment to consumer protection and empowerment principles, as detailed at the international level by the United Nations Guidelines for Consumer Protection (UNCTAD, 2016). Actions should not undermine the level of protection enjoyed by consumers in any way, for example with regards to data privacy.

**E-COMMERCE AND SUSTAINABLE CONSUMPTION**

The growth of e-commerce

E-commerce's share of total retail sales globally could rise to 23.6% by 2025 from less than 18% in 2020 (eMarketer, 2022). Already, at least 1.5 billion people purchase consumer products and services through e-commerce platforms (UNCDF, 2021). Recent growth has been accelerated by the Covid-19 pandemic, with the shift most prominent for women, highly educated consumers, and consumers aged between 25 and 45 years old (UNCTAD and Netcomm Suisse, 2020). But penetration varies by income-level and region: in 2020, online shoppers totalled 53% of the population of high-income countries, 16% in upper middle income, 5% in lower middle income and 2% in low-income countries (UNCTAD, 2020).
Sustainable consumption impacts

The impact of this unprecedented growth on sustainable consumption is as yet unclear. On the one hand, there are concerns that the dominant business model of e-commerce is encouraging hyper- or over-consumption (Ignini, 2022; Tiwari & Singh, 2011). Singles’ Day, Black Friday, and Cyber Monday are prominent examples of primarily online shopping ‘events’ during which environmentally damaging amounts of purchases are encouraged under the spell of discounts and limited time. Behavioural studies have found a positive correlation between Internet use and material aspiration levels (Lohmann, 2015), driven in large part by the influence of online advertising and social media use (Stephen, 2016; Kamal et al., 2013). The environmental impacts of increased consumption via e-commerce are potentially more significant, given that the products sold most online also fall within categories with the highest environmental impact (Consumers International and IISD, 2023a). On the other hand, e-commerce provides ample opportunities to promote positive consumer behaviours that are not available in brick-and-mortar retail (EDF, 2020; Ecommerce Europe, 2021). These include empowering consumers to participate in circular business models and changing the online choice architecture to make sustainable choices easier and more attractive.

The role of information

Information provision will be key to determining the nature of e-commerce’s evolving impact on sustainable consumption. E-commerce is fundamentally re-shaping consumer information, by providing greater but more diffused information access, offering avenues for co-creation, personalising information to individuals, and commercialising information environments with advertising. These changes pose certain key risks to consumers: an increase in misleading online sustainability claims undermines consumer trust in sustainability information in general; too much or badly presented information can lead to information overload; and the socialisation, commercialisation, and personalisation of information can lead to greater pressures towards over-consumption, for example driven by social norm bias or aggressive marketing.

There is, however, a potential to harness these aspects of the online information environment in ways that make informed consumer choices on the basis on sustainability easier and more attractive. Field data from the United States already suggests that sustainability-marketed products outperform conventionally marketed products by a greater margin online than offline (Kronthal-Sacco and Whelan, 2021). In the future there is scope for e-commerce to deliver information in innovative ways that educate and motivate as well as inform, supporting sustainable choice-making at scale whilst building consumer trust and understanding. E-commerce platforms should consider the balance of risk and opportunity posed by key trends before planning interventions (Figure 1), especially since the nature of online information is continuing to change with the growth of new virtual environments such as Extended Reality.
## TRENDS IN ONLINE INFORMATION PROVISION

### Access and dispersal.
The internet both increases and diffuses information access: consumers receive more information from a larger variety of sources. Shopping is increasingly an omni- or multi-channel experience in which consumers encounter information across multiple sites, including from online marketplaces, search engines, direct brand websites, social commerce, reviews sites, and across multiple devices (IpsosMori, 2022). The place consumers learn about a product is not necessarily where they buy the product, with 75% of consumers favouring online marketplaces for pre-purchase research (Bloomreach and Forrester, 2021).

### Co-creation.
When shopping or searching online, consumers rely more heavily on information provided by strangers because they cannot always inspect product quality before purchasing. Peer-to-peer interaction in online forums, reviews, and popularity rankings shifts the role of online consumers from users of information to co-creators (Cooper et al., 2022).

## RISKS

- Information is cognitively difficult to absorb if it is present in excess, for example if it takes up too much attention space (OECD, 2018).
- Excessive sustainability information provision across multiple channels in e-commerce may cause consumers to tune it out altogether.
- Sustainability information optimised for one device may not be easily readable on another, such as a mobile phone.
- Fake or fraudulent social information significantly undermines consumer decision-making and trust (BrightLocal, 2022).
- Platforms now integrate social information into their infrastructure to stimulate purchasing: if presented misleadingly, it can make it difficult for consumers to know who and what to trust (CMA, 2022).
- Social media peer content may also promote overconsumption through invoking social norm bias. Carbone and Duffy (2014) found that experimentally manipulated social information about peers’ consumption led to increased consumption levels. The approval of products on social media (giving “likes”) has been found to increase their purchase (Lee et al., 2015), and so has joining brand communities on social media (Goh et al., 2013).

## OPPORTUNITIES

- Consumers may be able to self-verify sustainability information by comparing sources against each other.
- Consumers’ preference for researching product attributes online before they decide to buy increases the potential of accurate online product sustainability information to influence choices.
- Co-creation has the power to democratise sustainability information, engaging consumers that find a more scientific-technical register unappealing.
- Co-created information can also communicate underreported sustainability aspects that are closely linked to consumer use, such as real-world longevity of products.
- It is possible to use the social norm bias triggered by peer-to-peer communication to promote sustainable consumption. For example, Foster et al. (2010) found that social comparison on Facebook can lead to reduced energy use and Zhao et al. (2019) found that consumers’ engagement with their peers on social media was directly tied to increasing sustainable apparel purchase intentions.
A concerted and collaborative effort is needed from all marketplace stakeholders to help realise these opportunities and reduce the risks. E-commerce platforms are well placed to galvanise such marketplace-wide shifts, given their relationship with millions of consumers on the one hand, and with thousands of sellers and suppliers on the other.

There are three main opportunity areas. First, platforms can plan for the future by taking steps towards a more joined-up and comprehensive data ecosystem on product sustainability. Second, they can optimise the presentation of data already available and standardise across their platform, by working in collaboration with third-party sellers. Third, platforms can implement, test, and refine changes to the online choice architecture to promote sustainable consumer behaviours.
ACTION ONE  
COLLABORATE TO CREATE DATA COMMONS FOR PRODUCT SUSTAINABILITY

E-commerce’s toolkit of innovations

Consider the ways in which e-commerce platforms can communicate to consumers about product sustainability that are unavailable to physical retailers. Consumers International’s global roundtables and expert survey in 2022 identified the following as the most impactful possible innovations:

• Filter and flag systems to help identify sustainable products in search results
• Placing more sustainable options higher in rankings, search results, and recommendations
• Calculating and communicating the aggregative impact of a consumer's shopping basket
• Enabling consumers to track the changing impact of their purchasing decisions over time
• Recommending sustainable product alternatives when the most unsustainable products are selected
• Scored digital labelling system showing the relative sustainability performance of different products
• Tool to allow consumers to compare the relative sustainability performance of different products within a single category

Data availability and accessibility

The most important factor preventing platforms from integrating these aspects into their sites is the availability and accessibility of comprehensive, trustworthy sustainability data on products. To implement them in a robust and reliable way, especially those that require ranking the relative performance of products, e-commerce platforms require a database that integrates quantitative and qualitative sustainability indicators across different environmental dimensions on a product-by-product basis. The challenge for platforms is that such a resource does not currently exist.

It may be possible to introduce sustainability filter systems without a comprehensive database, for example by utilising keyword searches, but this has a high risk of misleading consumers willingly or unwillingly (UNEP, 2022). Similarly, initiatives like the Green Consumption Assistant, funded by the German Federal Ministry for Environment, Nature Conservation and Nuclear Safety, have created scored product sustainability databases via algorithmic data scraping, largely for information on certifications (Jäger et al., 2022). This allows them to present online consumers with sustainability scores on products via a browser extension (Lehmann, 2022). However, this approach is limited given the difficulty of ranking different sustainability certifications and given that only a relatively small proportion of products sold on e-commerce platforms are certified at all.

Establishing a roadmap

The starting point for action should be setting an expectation for granular, accurate and verified primary data on product sustainability. The end point is that e-commerce platforms integrate such information from disparate sources to create an operable database enabling sophisticated and effective consumer communications. A key challenge is that information asymmetries and data unavailability are problems suffered by actors all along the value chain. Beyond securing access to and integrating the product sustainability data that already exists, e-commerce platforms will need to work with a variety of external stakeholders to fill gaps where there is no data at all. The task of collecting, managing, and stitching together a data landscape on product sustainability is by definition a collaborative one.
Various barriers prevent the establishment of full transparency across whole value chains. Typically, these include:

- Data locked in siloes within complex value chains
- High costs for cross-company data sharing
- Inconsistency or inaccuracy in data collection methodologies
- Inconsistency or room for interpretation in standards for data exchange
- Risk of exposing sensitive or competitively relevant data
- A lack of interoperability of technology solutions
- Bureaucratic and costly manual methods for data sharing

Sources: SINE, 2022; Accenture, 2021; WBCSD, 2021.

**Steps to achieve**

Product-level data is often competitively relevant and therefore treated as highly confidential by many companies. Many businesses are wary of lock-ins by the main software providers, which may lead them to lose control over sensitive information (SINE, 2022). E-commerce platforms may be well placed to support efforts towards data commons for sustainability – an interoperable and secure cross-industry standard for data exchange and analyses – rather than a centralized software architecture.

E-commerce platforms could aim to create a community of practice amongst their sellers and suppliers. Reciprocity is the key principle: actors should only be able to access data if they also provide data or if the increased value pool is distributed fairly. This principle can help to align incentives between actors, inducing a flywheel effect that fosters data integrity and creates more value as more actors partake. In addition to creating incentives for participation, platforms can leverage their role as marketplace gatekeeper to disincentivise non-participation. For example, their commercial agreements could set clear guarantees for the provision of data, and purchase orders can include requests for input into a data commons (Accenture, 2022). Setting additional requirements for participants, such as use of a shared KPI in calculations for every data exchange, can promote the achievement of higher data quality standards over time (WBCSD, 2021).
**ACTION TWO**

**WORK WITH THIRD-PARTY SELLERS AND MANUFACTURERS TO STANDARDISE, STREAMLINE, AND VERIFY SUSTAINABILITY INFORMATION**

**Avoiding information overload**

Without the constraints of a store shelf, it may appear easy to provide ever greater transparency to consumers in online settings. This assumption overlooks the potentially negative effects of excessive or difficult to understand information, however. When faced with too much information, or complex, poorly presented, and badly structured information, consumers may tune it out altogether (OECD, 2018). Behavioural studies reveal that this effect, called information overload, can cause consumers to disengage by ignoring certain types of information, relying on intuition, or deferring a decision. When shopping online as opposed to physically, consumers tend to be more motivated by simplifying their choices to avoid information overload (Leenheer et al., 2014; Benartzi and Lehrer, 2017).

**Optimising information provision**

E-commerce platforms should aim at providing better information, rather than simply more. Despite knowledge gaps, the existing literature is clear that the manner in which sustainability information is presented to consumers has a significant impact on the resulting consumer behaviours (CMA, 2021, Konsumentverket, 2020). Platforms should focus on making the digital opportunity as streamlined and frictionless possible, ensuring that the consumer is reached by easy-to-understand information at the right time and in the simplest possible way.

In the absence of a comprehensive data commons on product sustainability, e-commerce platforms can experiment with ways to optimise communications using sustainability data that already exists. This is by necessity a collaborative task since the data in question is held by manufacturers and sellers about the products they make and sell or by labelling bodies about the products they certify. As marketplace gatekeepers, online retailers have the power to incentivise good and disincentivise bad practice among sellers and manufacturers that provide information on the platform. They can also collaborate with international stakeholder groups committed to improving sustainability communication, such as the UN One Planet network’s Consumer Information Programme, which last year updated its Guidelines to include recommendations for e-commerce (UNEP, 2022).

There are many ways in which online platforms can optimise their design, from making subtle changes to visual elements, to simplifying how information is structured and presented, and experimenting with the timing of when these changes are made (Figure 2). The principle of iterative innovation is central. Measuring the effectiveness of interventions, for example through A/B testing or field trialling, enables progressive improvements to be made. In e-commerce, experimentation and optimisation can be aided by algorithms, which analyse the impact of the design of the environment based on millions of data points from consumers (‘clickstream data’), including time spent on the page, buttons clicked and subsequent actions. The speed and scale of data collection and analysis available could facilitate the optimisation of sustainability information provision in real time. Building an evidence base for the impact of sustainability information can also help platforms prove the business case for sustainability to their third-party sellers and stakeholders, leading to a flywheel effect.
Addressing the methodological deficit in studies of sustainable consumer behaviour.

Currently, there is a lack of detailed, empirical evidence on the effects of different types of sustainability information on online shopping behaviour. Most of the existing literature is survey-based, using self-reported measures or intention as a proxy for behaviour. This is not the strongest foundation on which to draw trends or plan interventions, given the often-observed gap between what consumers say and what they do on sustainability (Carrington et al., 2010; Moser & Kleinhückelkotten, 2018; Nguyen et al., 2019). E-commerce platforms are able to directly test the behavioural impacts of different types of sustainability information provision by running direct experiments on their sites and publishing the results. Key questions that need interrogating include the following:

- **Greenwashing.** Research shows that perceived greenwashing can have a negative impact on brand reputation and decrease purchase intentions of a brand's product (Chen et al., 2013; Akturan, 2018; Szabo & Webster, 2021). What are the conditions that can lead to greater perceived greenwashing? Are certain types of sustainability information (for example those that use vague terms) more likely to lead to perceived greenwashing?

- **Consumer trust.** Research shows that if people trust that sustainability information is true, they will be more likely to purchase the product (see for example, Taufique et al., 2017). What are the key factors (for example, third-party certification) that lead consumers to trust the sustainability information they receive?

- **Sectoral differences.** Most existing behavioural studies on the impacts of sustainability claims are sector specific, making it difficult to assess the differences between different types of products and sectors (CMA, 2021). Are certain sectors more likely to see greater behavioural effects from sustainability information?

- **Demographic differences.** Segmentation studies have found wide variation in sustainability attitudes between different types of consumers. Are there any differences in behavioural impact between different types of consumers (for example behavioural greens vs. more reluctant adopters, different demographics, ages)? Are there any consumer groups particularly susceptible to the effects of sustainability claims?

- **Form and context.** Are certain ways of presenting online sustainability information (colour, length, placement) more effective than others in leading to purchases? What is the impact of explicit vs. implicit elements of presentation on consumer behaviour? What is the threshold for information overload for online consumers and what are the most effective ways of preventing this (layering, grouping, filtering, streamlining)?

- **Other consumer behaviours.** What impact does the presence of sustainability claims have on outcome measures other than purchasing behaviour, such as decision-making time, willingness to pay more, and brand or product attitude?
Table: How can e-commerce platforms standardise, streamline, and verify the information provided to consumers by third parties?

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<th>CHANGE</th>
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<tr>
<td><strong>Standardise</strong> the presentation of sustainability information provided by third-party sellers and manufacturers.</td>
<td>Providing <strong>templates and guidance</strong> for sellers and manufacturers on how, where, and when to present product sustainability information on the platform. Providing sellers and manufacturers with a common <strong>sustainability glossary</strong> explaining and defining sustainability terms and their appropriate use.</td>
<td>Sustainability information provided using <strong>consistent terminology and structure</strong> across the whole platform will enable consumers to <strong>compare</strong> different products more easily based on their sustainability attributes. It is far easier to accomplish this standardisation at platform level than at the level of individual sellers or products. Consistent terminology that makes sustainability information <strong>machine readable</strong> can help search engines to identify sustainable products, for example for automated purchasing processes.</td>
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<td><strong>Make sustainability information more distinctive.</strong></td>
<td>Provide <strong>presentation guidelines</strong> to sellers and manufacturers, based on empirical evidence on the best ways to promote consumer behaviour change.</td>
<td>Sustainability information can be made more accessible, clear, and effective if it is <strong>animated and visual</strong>, for example using graphics or videos.</td>
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<td><strong>Require</strong> the disclosure of certain types of sustainability information, especially where needed to meet regulatory requirements.</td>
<td>As marketplace gatekeepers, e-commerce platforms can <strong>make it compulsory</strong> for sellers to provide certain forms of information to access the service. An analogue is Apple's and Google's app stores, which require developers to make certain information about privacy available in a standardized way.</td>
<td>Where regulation sets mandatory information disclosures, platforms can help to lessen the enforcement burden through ‘<strong>compliance by design</strong>’ approaches with their third-party sellers and manufacturers. This is especially the case where third-party sellers are exporting into a consumer market so may not be aware of national regulatory requirements.</td>
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<td>Ensure sustainability claims made on the platform are <strong>reliable</strong> and compliant with consumer law.</td>
<td>Carry out algorithm-based <strong>site surveillance</strong> to ensure sustainability claims do not use terms which are misleading by definition (such as ‘eco-friendly’). Carry out <strong>random checks</strong> on the reliability of sustainability claims made by third parties. Provide <strong>clear guidelines</strong> on how to make reliable sustainability claims, drawing on established international principles and guidance from relevant national consumer protection authorities.</td>
<td>A <strong>lack of trust</strong> is already the main reason for people to avoid shopping online (CIGI, 2019). This is likely exacerbated by the fact that 60% of consumers say they have lost trust in the sustainability information provided by companies due to perceptions of greenwashing (Ernst and Young, 2021).</td>
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<td><strong>Verify</strong> products using third-party certifications.</td>
<td>Consumers have more <strong>confidence</strong> in third-party verified labels than any other (Compare Ethics, 2020). It is therefore crucial that products claiming certification are genuine, to avoid further damaging consumer trust.</td>
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<td>Create an automated system to verify that labelled products have valid certifications regularly. Work with certifying organisations and licence holders to ensure product entries in their databases use a common identifier, such as a Global Trade Item Number (GTIN). This standard code is currently often missing, preventing automated verification procedures.</td>
<td>Given the number of labels, representing widely variant levels of stringency, consumers often struggle to distinguish between them or understand their meaning (Accenture, 2021; European Commission, 2021). An umbrella label that consists only of the most stringent labels can help reduce the <strong>interpretative burden</strong> on consumers.</td>
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<td><strong>Group</strong> reliable certifications into an <strong>umbrella label</strong>. Use a public-led <strong>benchmarking</strong> initiative, such as Germany’s Siegelklarheit scheme (2022), to select the best certifications to include. Integrate roll-out with the platform’s product recommender system, search filters and search engine to increase <strong>visibility</strong>. Test the effect of the scheme on sustainable purchasing behaviour and other consumer behaviour metrics.</td>
<td>Umbrella labels are an example of <strong>layered</strong> information, with the precise certification and underlying criteria used a click away (UNEP, 2022). This can mitigate the risk of information overload. Proving the link between participation in the scheme and sales could change the balance of <strong>incentives</strong> for producers to seek certification on products, which carries a significant cost burden.</td>
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ACTION THREE

PLAN INTERVENTIONS TO SHIFT CONSUMER BEHAVIOURS ONLINE

How we think and behave

Understanding human behaviour is crucial to achieving sustainable consumption. How do people decide which product to purchase? Do they follow through or do they change their mind at the last minute? How are their decisions affected by contextual factors?

Behavioural science commonly makes a distinction between purely rational, deliberative thought processes on the one hand and more automatic processes driven by unconscious biases on the other. Deliberative thinking is when a consumer consciously calculates the trade-offs among competing product attributes, such as price, product quality, and performance. But behavioural biases can have a huge influence on the decisions that are ultimately made. For example, we intuitively weight losses higher than equivalent gains, and prioritise the present over the future. We are also strongly influenced by context, including sometimes superfluous or misleading information (Kahneman, 2011; Kahneman and Tversky, 1981). Most consumers exhibit multiple behavioural biases, such as social norm bias and overconfidence, which tend to be relatively stable over time (Stango and Zinman, 2020). However, there are substantial variations across individuals in the number of biases displayed, even within similar demographic groups (Chen, 2013; Stango and Zinman, 2020).

Recognising the influence of behavioural biases is crucial to explaining why consumers’ intention to shop sustainably does not always translate into action, often called the intention-action gap (Carrington et al., 2010; Moser and Kleinhübelkotten, 2018; Nguyen et al., 2019). GlobeScan (2021) found that while 47% of consumers globally indicated that they were willing to undertake major lifestyle changes to be more sustainable, only 23% undertook them in reality. Similarly, IBM and NRF (2022) found that while roughly 50% of consumers say they would pay a premium for sustainable products, only 31% acted on this intention. This phenomenon is not a result of consumers lying in surveys. Despite real intentions and values, something else is getting in the way. Something in consumers’ surroundings, or a feature of the choice itself, is preventing intention from becoming action.

Consumer behaviours online

E-commerce significantly alters how consumers think and make decisions, in ways that could make the intention-action gap on sustainability wider.

• In terms of deliberative thinking, e-commerce has led many consumers to prioritise evaluative criteria other than sustainability. Consumer surveys highlight that across different product categories, price, quality, and convenience are often the most important reasons why they shop online (McKinsey, 2021; Accenture, 2019). The increased number of product offerings, the ease of comparing prices, and the increased personalization of e-commerce may encourage consumers to prioritize factors that may conflict with sustainability in their decision-making.

• Consumers are also more likely to rely on automatic thought processes in an online setting. In online environments we are quicker to act, have shorter attention spans, scan and skim rather than read, and are more likely to rely on the recommendations of strangers (Firth et al., 2019; Benartzi and Lehrer, 2015; Duggan and Payne, 2011; Delgado et al., 2018). There are also several differences in how online markets operate which can exacerbate behavioural biases. We can now buy products and access information within minutes. While providing clear benefits, these seamless and expedient processes may induce more impulsive purchasing behaviour by consumers.
How can online businesses ensure that their interventions are ethical?

Interventions that utilise behavioural insights are usually called ‘nudges’. A nudge can be defined as ‘any aspect of the choice architecture that alters people's behaviour predictably without forbidding any option or significantly changing their economic incentives’ (Thaler and Sunstein, 2008). Research suggests that nudges can be highly effective in overcoming some of the biases that may otherwise prevent consumers from making more sustainable choices. In online environments, nudges can be combined with hyper-granular data collection of consumers’ consequent behaviour and machine learning algorithms. The speed and scale of data collection, experimentation, and targeted personalisation allows online businesses to optimise green digital nudging in real time, increasing their impact.

A key challenge for decision-makers is distinguishing the fine line between positive influence and negative manipulation. While some online choice architecture practices are almost always harmful, others may be harmful only in certain circumstances (CMA, 2022). Effective digital green nudging may from another perspective be seen as dark commercial patterns, business practices which subvert or impair consumer autonomy, decision-making, or choice (OECD, 2022). Dark patterns are a greater concern than analogous practices offline, given online businesses’ ability to repeatedly run experiments to hone user interfaces, consumers’ heightened susceptibility to deception online, and the scale of consumers reachable. Sunstein (2015) has suggested that an effort to influence people's choices counts as manipulative ‘to the extent that it does not sufficiently engage or appeal to their capacity for reflection and deliberation’. With any act of deceit, people almost inevitably feel betrayed once they are informed of the truth. The same is true of manipulation. Once the full context is revealed, those who have been manipulated tend to ask: why wasn’t I allowed to decide for myself? This can be the case even if the decision you have been manipulated into taking is one you recognise is in your best interests. But the subjectivity of ‘sufficiently’ in Sunstein’s definition highlights the difficulty of judging where the line is.

Ethical nudging consists of two key principles.

- **The first is transparency.** To the greatest degree possible, the consumer should be made aware of the behavioural techniques used. However, studies suggest that nudging conducted without the participant’s knowledge or prior information tend to be more effective (Santos Silva, 2022). Platforms should collaborate with other stakeholders, including independent consumer organisations, to agree a fair equilibrium between transparency and effectiveness (Consumers International and IISD, 2023b, Meske and Amojo, 2020).

- **The second is control.** Can consumers explicitly give permission for their data to be used in ways that nudge them towards more sustainable choices, for example through defaults options? Consumer organisations already utilise the statutory provisions in some jurisdictions which allow a consumer to delegate a third party to exercise data rights on their behalf (Consumer Reports, 2022). Can this be extended to the use of data for green digital nudging? Allowing consumers to intervene meaningfully in how their data is used will increase trust and unlock iterative improvements.
### BEHAVIOURAL BIAS

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<tr>
<th>Bias</th>
<th>Description</th>
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<tr>
<td>Default bias</td>
<td>The tendency to stick to the status quo.</td>
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<tr>
<td>Present bias</td>
<td>The tendency to focus disproportionately on immediate costs and benefits and discount future impacts.</td>
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<tr>
<td>Social norm bias</td>
<td>The tendency to be influenced by the behaviour of your peers, especially in moments of uncertainty.</td>
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<td>Salience bias</td>
<td>The tendency to act only if you can see the impact of your actions.</td>
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<tr>
<td>Hassle factors</td>
<td>When small tasks are disproportionate barriers to follow-through, whether real or just perceived.</td>
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<tr>
<td>Loss aversion</td>
<td>The tendency to prefer avoiding losses to acquiring equivalent gains.</td>
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### E-COMMERCE INTERVENTION TO MITIGATE OR LEVERAGE

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<tr>
<th>Bias</th>
<th>Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default bias</td>
<td>Selecting more sustainable choices as default settings, such as click-and-collect options close to home or work rather than same day home delivery (OECD, 2022b). Make sustainable products higher in product searches, rankings, and recommendations.</td>
</tr>
<tr>
<td>Present bias</td>
<td>Highlight product sustainability features linked to long-term cost benefits, for example through total cost of ownership or cost-per-use calculations in product descriptions. Reframe online checkout by explaining that a more sustainable but more expensive product may eventually lead to savings (Sunstein, 2014).</td>
</tr>
<tr>
<td>Social norm bias</td>
<td>Highlight others’ positive behaviours in online communications. Arce, Oerlemans and Van Stroe-Biezen (2013) found that participants who received information about a peer’s choice were three times more likely to choose sustainable products. Make the private action public, leveraging the spotlight effect whereby people overestimate the extent to which actions are noticeable to others, as well as the commitment bias, in which people want to live up their word among peers (White et al., 2013; Consumers International and IISD, 2023a).</td>
</tr>
<tr>
<td>Salience bias</td>
<td>Tailoring messages to an individual's attitudes and priorities by leveraging the personalisation possible in online settings. Providing feedback on the positive impact of choices made can help to establish positive feedback loops and quantify the impact of choices.</td>
</tr>
<tr>
<td>Hassle factors</td>
<td>Make the sustainable choice easy by removing friction wherever it appears in the online choice architecture. Add friction for unsustainable choices, by reminding consumers about the impact of their choices at different points in the shopping journey (Michels, 2022; Sachayan, 2022).</td>
</tr>
<tr>
<td>Loss aversion</td>
<td>Highlight the financial loss of buying unsustainable products that last less time by providing cost-per-use information or reframing the online checkout (Sunstein, 2014). Communicate the loss incurred by the unsustainable choice with messaging about negative externalities.</td>
</tr>
</tbody>
</table>

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**Figure 3. Planning effective behavioural interventions.**
Habit bias, or the tendency to stick to established routines.

Predefined consumer profiles, computer-generated recommendations based on past purchase patterns, and "quick buy" options in online shopping environments risk locking consumers into previous habits. This can be mitigated by giving consumers new powers over how their data is used.

Enabling consumers to track progress and changes in their environmental impact over time can establish new habitual routines.

**CONCLUSION**

At the global level there are serious and worsening challenges with consumer sustainability information that are undermining the strategic role it could play in promoting sustainable consumption (Consumers International, 2023). These issues are in many ways exacerbated and complicated by the rise of e-commerce. However, the opportunities raised by e-commerce are arguably even more significant. The size of the sustainable consumption challenge — trillions of products, produced in millions of locations, sold to billions of consumers globally — calls for a wholesale shift of engrained behaviours among manufacturers, consumers, and retailers alike. E-commerce could be one of the triggers of this radical shift, as it reshapes consumption habits worldwide.

This report has outlined a set of three actions that e-commerce platforms can take to grasp the opportunity for change. The manner in which these actions is carried out is critical to ensuring their success: the how is as important as the what. This is for three main reasons: the number and diversity of different stakeholders that need to be brought along; the size of current knowledge gaps on consumer behaviours; and the essential consumer rights that could be put at risk. These issues can be addressed by enacting the principles of reciprocity, iterative innovation, and humility, respectively. Reciprocity, because establishing mutual benefit can align incentives between diverse actors, inducing a flywheel effect that creates more value as more actors partake. Iterative innovation, because only a continuous process of testing and improving can demonstrate the effects of sustainability information on consumer behaviour and enable a step-change in progress. Humility, because the precise dangers posed to consumers by online environments are evolving and not fully defined: approaches which build in consumer protection by design will need to be created in collaboration with consumer advocates and policymakers.
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