

Press release

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Sustainability in online shops not the top priority for retailers

Sustainable products and environmentally friendly shipping are an important requirement for customers of online shops, and online retailers feel the same. And yet, only three in ten online shop operators view sustainability as one of the most important business issues. This is one of the findings of the latest online retailer survey conducted by the Lucerne University of Applied Sciences and Arts. Meanwhile, the e-commerce trend indicator from the University of Applied Sciences in Business Administration Zurich (HWZ) gives an insight into how the coronavirus pandemic has impacted on consumer behaviour. Swiss Post commissioned both studies.

How high up on the agenda of Swiss online retailers is sustainability? The Lucerne University of Applied Sciences and Arts conducted the online retailer survey 2021 on sustainability in Swiss e-commerce on behalf of Swiss Post for the second consecutive time. 248 companies participated in this quantitative survey.

Sustainability as a customer need and an opportunity for competitiveness

For 83 percent of online retailers surveyed, sustainability is about taking on their corporate responsibility. Two-thirds of retailers also firmly believe that making their online shops more sustainable could boost their competitive edge, and six out of ten online shop operators see sustainability as an important customer need. Legal targets and regulations, however, do not appear to be a driver for further action in the field of sustainability. Only 23 percent of online retailers feel compelled by regulatory requirements to invest more in the sustainable operation of their shops.

Sustainability: despite good reasons, not the top priority – but more of a priority than coronavirus

The majority of online retailers agree about the importance of sustainability. However: only three out of ten online shop operators see the sustainability of products, packaging and logistics as one of the most important business issues. “There are plenty of reasons for online retailers to be more sustainable. Of course, real action and concrete measures require both time and resources,” says Thomas Wozniak, Study Leader and Lecturer at the Lucerne University of Applied Sciences and Arts. The following priorities are much higher on the agenda for online shop retailers: growth (one of the most important issues to 56 percent of companies), process automation and optimization (47 percent) and marketplace presence (39 percent). “Online retail is growing fast. Many retailers are mainly focused on process optimization and standing out from the competition,” Wozniak explains. Retailers don’t seem to be too concerned about the impact of the coronavirus pandemic. Only 21 percent of all companies surveyed responded that the impact of the pandemic was one of the most important business issues to them this year. “Here, we can clearly see that online retail, unlike other industries, has hardly been affected by the pandemic,” says Wozniak.

Sustainable products hardly visible in shops

Even though sustainability seems to be a major priority for customers, sustainably made products are still rarely labelled as such in online shops. Only 17 percent of online retailers highlight sustainable products in their shops (the figure last year was 14 percent). What’s more, only 13 percent of all shops even allow customers to filter by sustainable products (last year: 11 percent). It is true that over half of online retailers (54 percent) do feature sustainability information in their

product descriptions, but it tends to be hidden. “This means online retailers are failing to capitalize on potential to actually appeal directly to sustainably minded consumers,” Thomas Wozniak explains. “Sustainably minded online shoppers have to click through to potentially sustainable products to find the information they need. Selection filters and highlights could catch a customer’s attention quicker, and would be a very sensible addition,” suggests Wozniak.

Online retailers are using less plastic

The type of packaging used to ship products is an important part of an online retailer’s overall sustainability record. Online retailers have especially made progress with the type of packaging they use compared with the previous year. In 2021, 40 percent of online shops do not use plastic in their outer packaging, the figure for the year before being only 30 percent. Additionally, 39 percent of all retailers use filler material that is completely plastic-free (the figure for 2020 was 34 percent). Around half of online retailers use recycled material for their packaging (54 percent) and for packaging filler (48 percent). About a quarter of the retailers surveyed also use reusable packaging. Choosing the right size parcel can save on resources when it comes to packaging. About three-quarters of online retailers say that they use packaging adapted to the size of the goods. “This doesn’t just save on materials, it also reduces the transport and storage capacity needed,” explains Wozniak. “Not to mention the fact that fewer customers are left wondering why there is so much empty space in the box.”

More potential for carbon-neutral shipping

Even once the product has left the warehouse, it still has a carbon footprint. The size of this footprint depends on the shipping method. Just about half of those online retailers surveyed offer customers the option to collect parcels from one of their branches. In four out of ten online shops, customers can have partial deliveries bundled into a single, consolidated shipment. In other words, if they order several times from the same online shop in quick succession, all the products are delivered as a single parcel. Both these measures reduce the number of delivery trips. Locally tailored logistics services, such as cycle delivery services in combination with the train or e-cargo bikes, are far less common services offered by these retailers. Only 13 percent of those companies surveyed offer these delivery options. “When it comes to last-mile logistics in particular, it makes a great deal of sense to focus on providing local, streamlined, eco-friendly delivery solutions,” says Wozniak. “In densely populated areas especially, this often results in more efficient use of the scarce road space available. As such, this could well be in the interests of towns and municipalities. Additionally, it can help reduce noise pollution, greenhouse gas emissions and air pollution.” All in all, we have seen an increase in the number of carbon-neutral shipping options offered at no extra fee. Whereas in 2020, around 15 percent of all online retailers offered carbon-neutral shipping, this figure rose to 26 percent in 2021.

Consumer behaviour and coronavirus

The impact of the coronavirus pandemic on online retail is also shown by the e-commerce trend indicator 2021, which was devised by the University of Applied Sciences in Business Administration Zurich (HWZ) in collaboration with Swiss Post. This study examined the habits and preferences of over 11,000 Swiss consumers in online retail. The results revealed that the average Swiss resident shops a lot more online than they did before the pandemic: in 2019, 14 percent of respondents aged over 55 shopped online on a weekly basis, whereas in 2021, the figure reached 19 percent. The most common reasons for shopping online are not being restricted by opening hours (78 percent) and home delivery of purchases (78 percent). But, for around 40 percent of those surveyed, the coronavirus pandemic is also a significant reason. In terms of delivery options, “Click & Collect” in particular – where customers collect goods ordered online from sales outlets or Swiss Post branches – has become more commonplace compared with 2020 (up 5 percent).

Overall, the changes in consumer behaviour that were already becoming apparent due to the coronavirus pandemic have taken hold this year. The trend towards digitization is continuing, and not just when it comes to shopping itself, but payment options as well.

More about Swiss online retail in 2021

More information about the online retailer survey conducted by the Lucerne University of Applied Science and Arts and the e-commerce trend indicator devised by the University of Applied Sciences and Business Administration Zurich (HWZ) can be found at <http://www.swisspost.ch/digital-commerce/studies>. The two studies are also available for download there.

The latest results for the studies on Swiss online retail are presented each year at [Connecta](#). This year, the physical event will not be held, but the most important findings on sustainability in Swiss online retail will be discussed in a video interview with Thomas Wozniak and Michael Nussbaumer, Head of CAS Online Shop and Sales Management at the Lucerne University of Applied Sciences and Arts. This interview will be available from 3 p.m onwards on 6 October 2021 at www.swisspost.ch/connecta-talk.

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Lucerne University of Applied Sciences and Arts – the university of applied sciences for Central Switzerland

The Lucerne University of Applied Sciences and Arts is the university of applied sciences for six cantons in Central Switzerland, and combines the departments of Engineering & Architecture, Business, Computer Science, Social Work, Art & Design and Music. With around 7,800 students in education and 4,700 individuals signed up to CAS, DAS and MAS programmes, nearly 400 new research projects every year and 1,900 members of staff, it is the largest educational institution in the heart of Switzerland. www.hslu.ch

University of Applied Sciences in Business Administration Zurich (HWZ)

The University of Applied Sciences in Business Administration Zurich (HWZ) is a member of the Zurich University of Applied Sciences (ZFH).

With approximately 2,500 students, the HWZ is the largest university with an exclusive focus on part-time education in the field of economics in Switzerland. It offers a wide range of programmes up to Bachelor's and Master's level, as well as 100 diploma and certificate courses, doctorate degrees and tailored corporate training. In 2016, the HWZ became the first institution of higher education to be institutionally accredited under the new Federal Act on Funding and Coordination of the Swiss Higher Education Sector (HedA). <https://fh-hwz.ch/english/>