

# **Dutch Insight Summit**

Break out session 'The impact of sustainability on Tech & Durables sectors'

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# The impact of sustainability on Tech & Durables sectors

During this 30 minutes break-out session GfK will provide you with fact-based insights, from both a Market & Consumer perspective. This session will cover topics around sustainability themes and how this impacts the Tech & Durables sectors. Topics to be presented will be the following:

#### The consumer

Is sustainability a crucial personal value despite shortterm disruptions?

#### The market

Is sustainability a market driver?

#### The brands

Are brands expected to drive sustainability from a consumer's point of view?



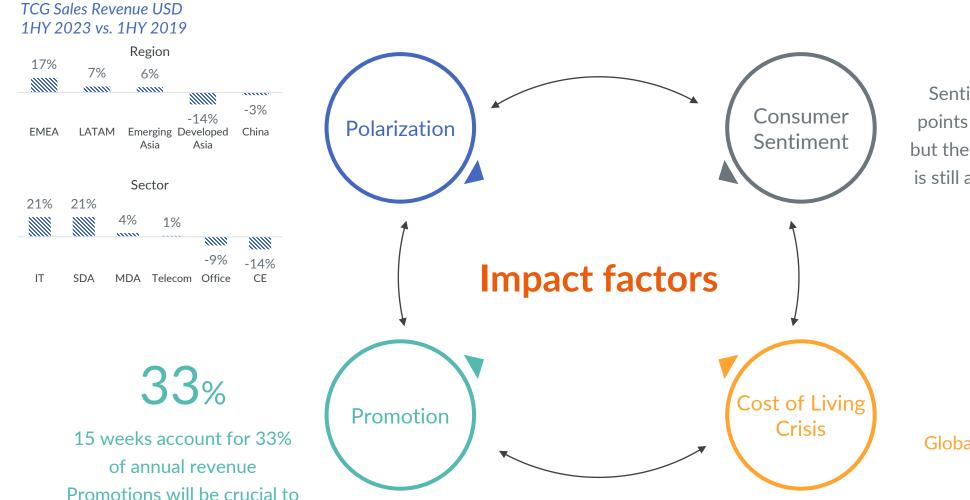




#### What global factors are impacting Tech & Durables in 2023?



Our clients continue to face new questions, new decision and new actions to take...



98.5

Sentiment recovered by two points in July 2023 vs last year, but the index level of 98.5 points is still as low as during the acute COVID crisis time

7.0%

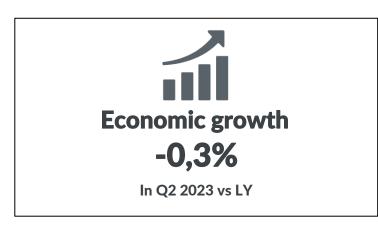
Global Inflation Forecast (Source: IMF)

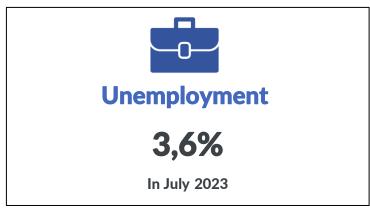
trigger volume demand

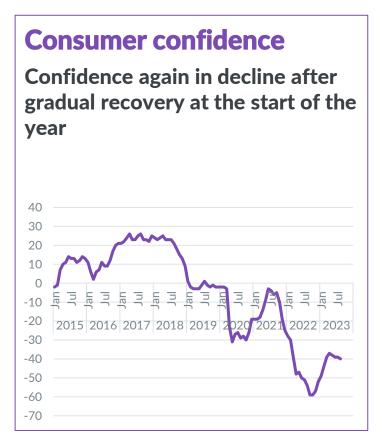
#### Second consecutive quarter of economic decline for Dutch economy

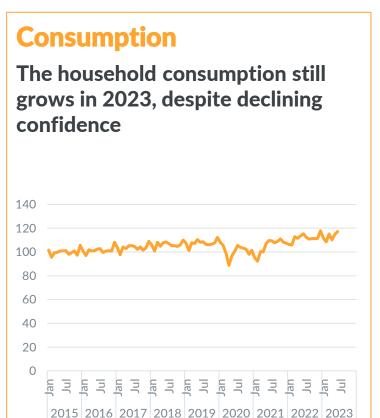
As a result, consumer confidence back in decline











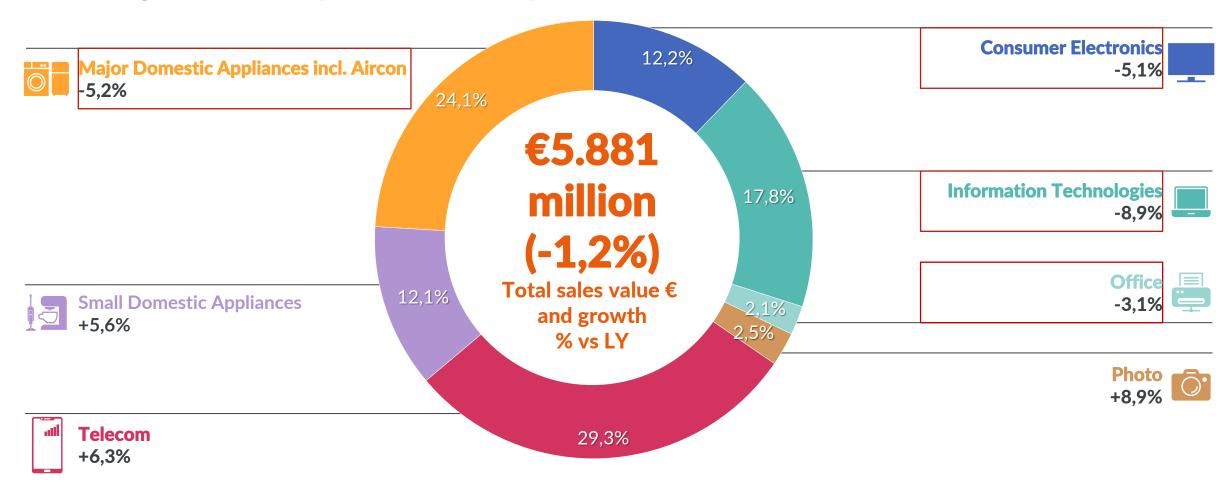
Source: CBS.nl © GfK

#### Sales of Technical Consumer Goods are in decline

A result of disruption and shifting consumer demand



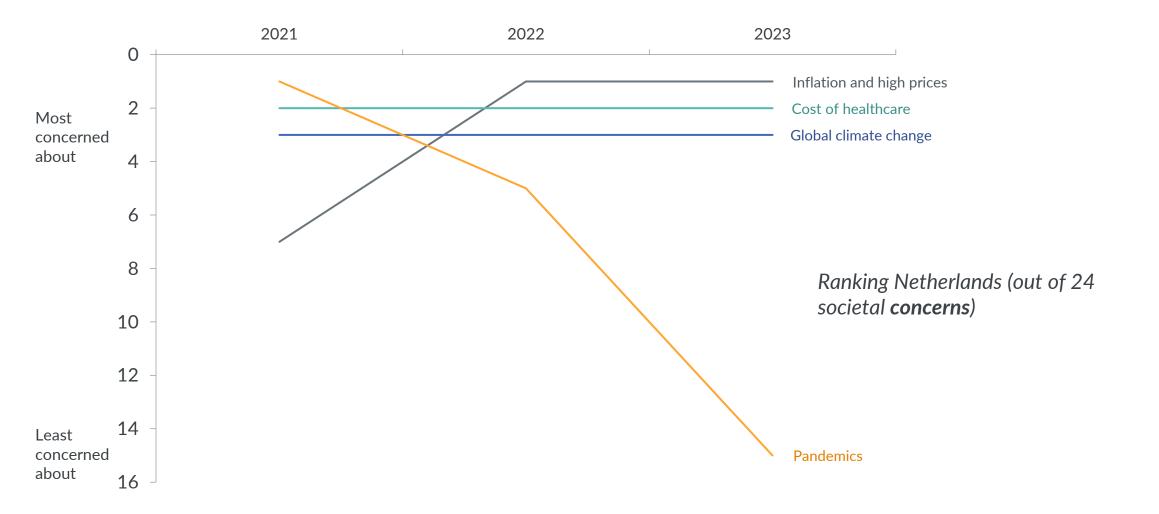
Sales Value € / growth rate YoY in % | B2C NL Retailer Market | YTD(Jul) 2023



### Dutch people are still concerned about climate change







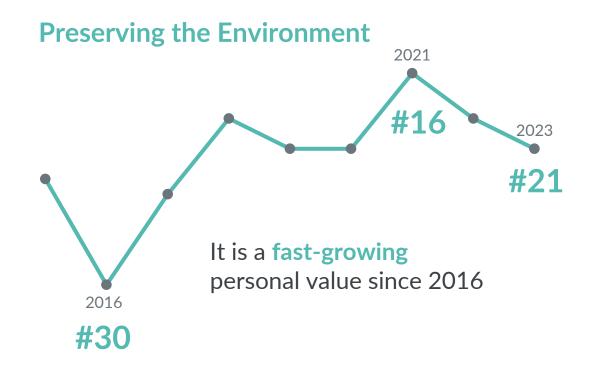
Source: Consumer Life 2023 (NL)





# Sustainability breakthrough for future generations

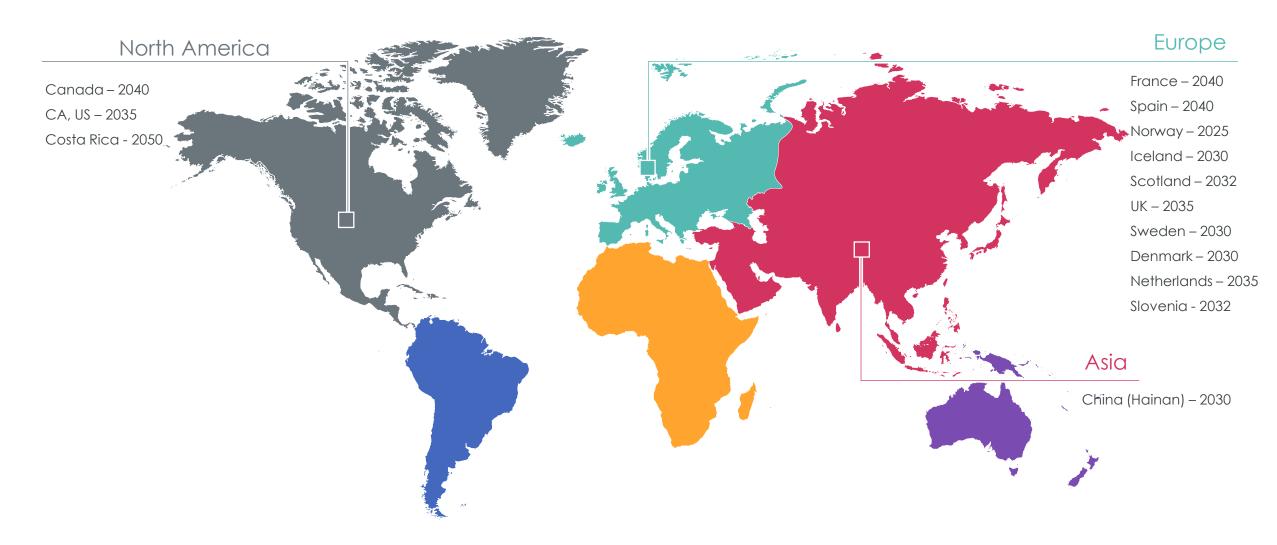
Ranking Netherlands (out of 58 personal values)





# In the next ten years, internal combustion engines will phase out in many key markets



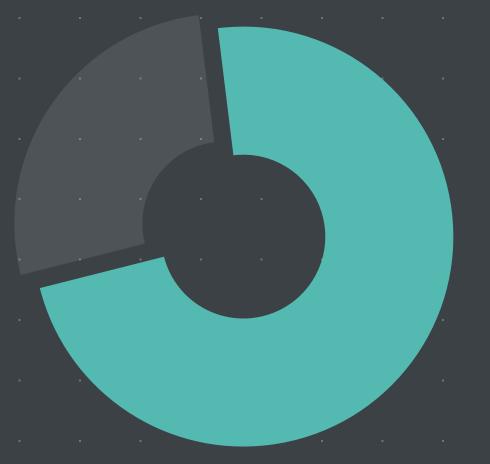




73%

of global consumers say it is important that companies take environmentally responsible actions

#1 environmental attitude (out of eight tracked)

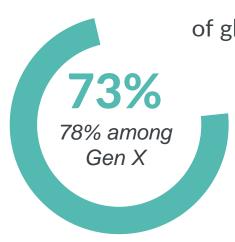


GfK Consumer Life 2023, Global  $^{\circ}$  GfK  $^{\circ}$  11

## Brands are empowered to act: Environmental protection is now a priority



GfK Consumer Life Survey 2023, Global including North America



of global consumers say it is important that companies take environmentally responsible actions

#1 environmental attitude

GenX is a key customer group with strong purchasing power in Consumer Tech & Durables market!



frequency to enhance brand perception quickly

(out of eight tracked)

#### **Product claims for** sustainable assets within **Smartphones**

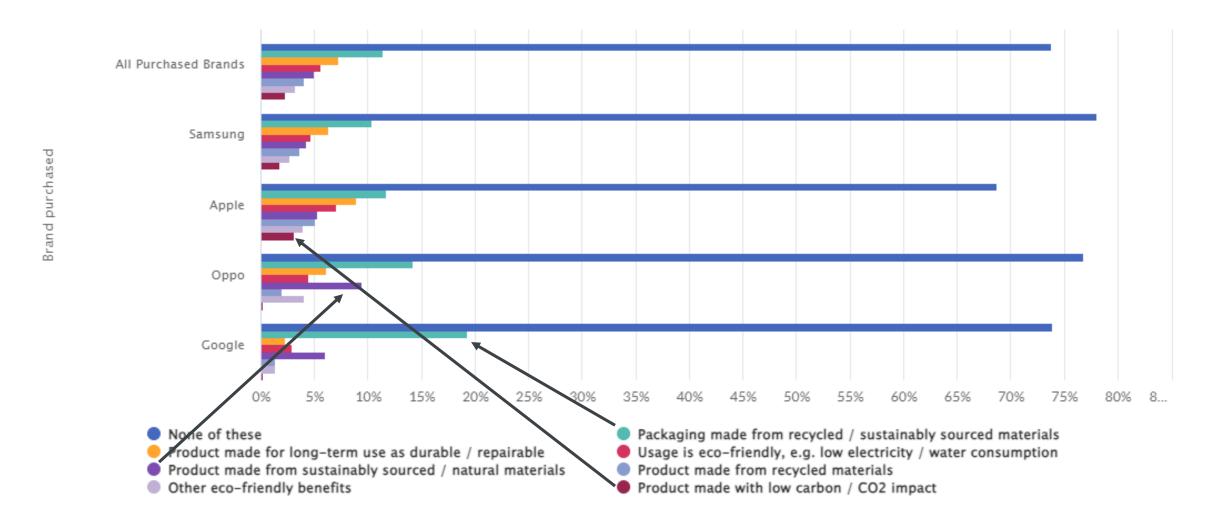
- Eco packaging
- Eco recycled material
- Eco CO<sub>2</sub> footprint
- Eco material
- Eco energy consumption
- **Eco durability**
- Eco other

#### **Eco-marketing features for Smartphones**



13

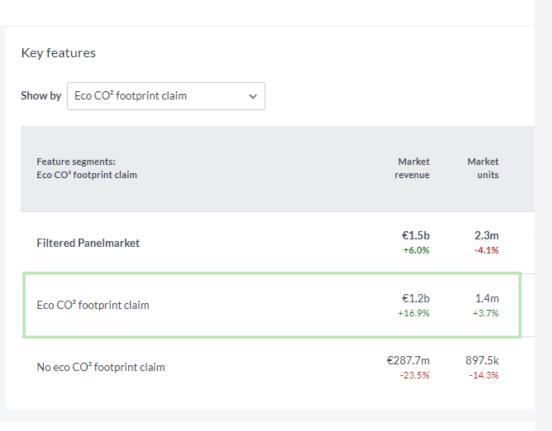
Did consumers notice any eco-friendly benefits on packaging or marketing material?



### Eco Claim features in gfknewron (an example for Smartphone NL)

Indication for "how products are advertised" as being environmentally friendly or sustainable





Source: gfknewron Market







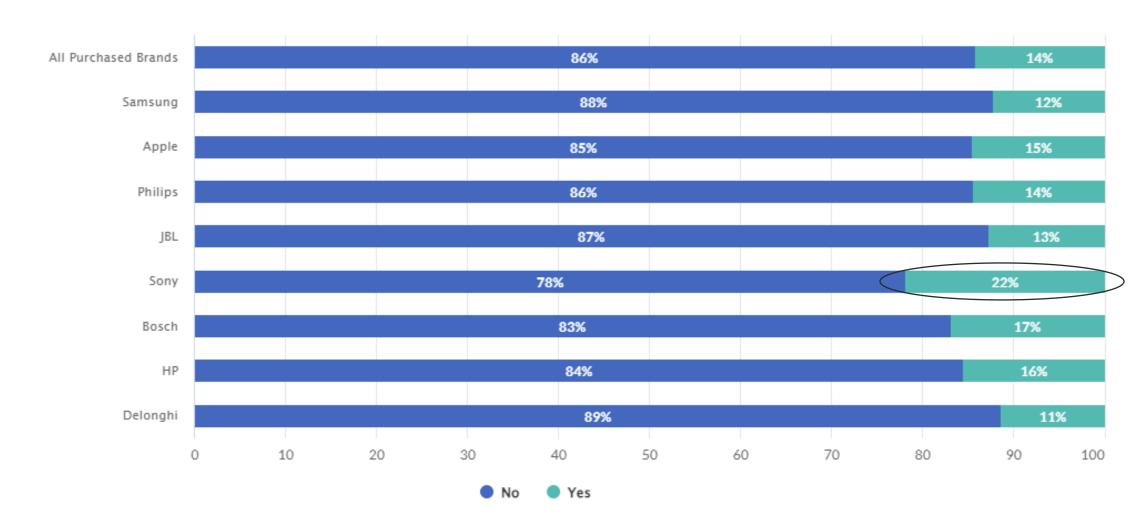
### **Eco Leading Edge Consumers\***

#### Eco-Friendly Shopping - brands

Brand purchased



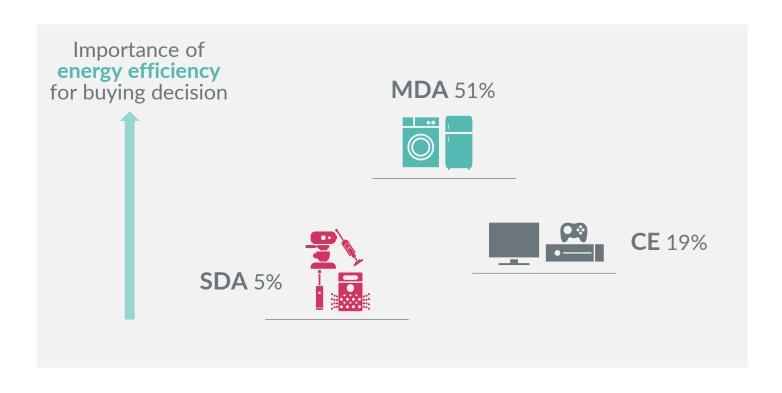
\*Eco LEC's care deeply about environmentally friendly consumption and are eager to try new products and services that align to their values.



## **Technical Consumer Goods is not all the same in sustainability**

Consumer decision making criteria vary widely





IT and Smartphones



Energy efficiency not mentioned as criterion, only indirectly via battery life

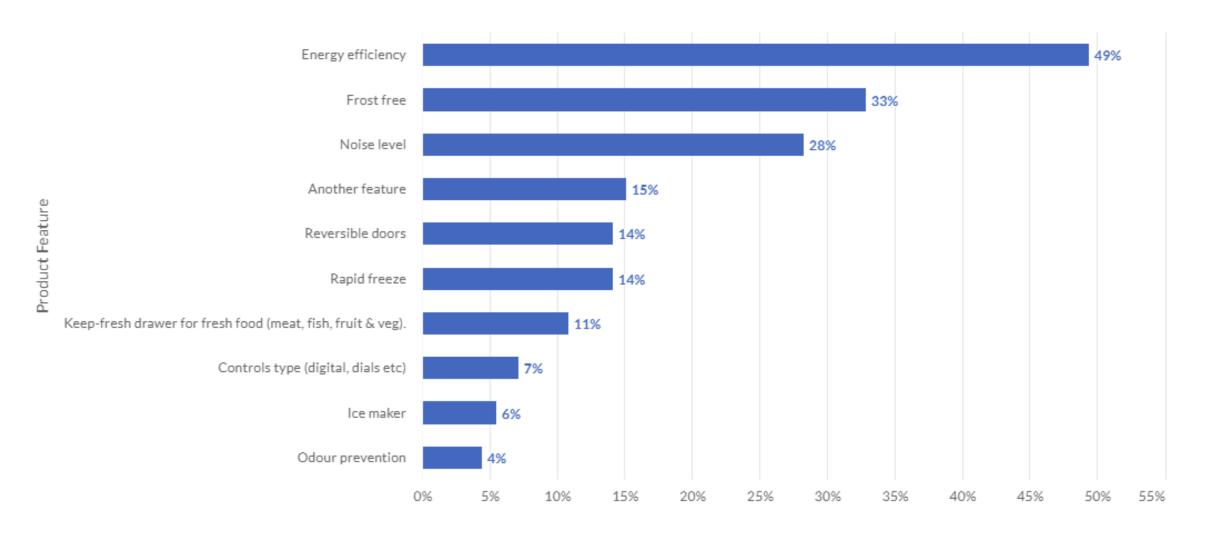
For these categories, historically performance features play a more prominent role, e.g. CPU, RAM, audio and picture quality as well as size and capacity

...but sustainability factors are set to become more differentiating in the future

#### **Most important product features for Refrigerators / Freezers**



Energy efficiency is by far most important feature for Dutch consumers!







© GfK 18 Source: GfK Market Intelligence Netherlands

#### **Printing brands sustainability efforts**

Eco claims by manufacturers



19



Excellence in energy and consumable consumption

Recycling and donation of old devices

Environmentally friendly water-based ink



Reduced energy consumption for their Inkjet Portfolio

Recycling of Cartridges

Use of recycled materials (plastic)

# **EPSON**

Heat Free Technology to save energy

Recycling of Cartridges and Hardware

Spare parts and easy repairs

Source: GfK global printer update 2023 © GfK

#### **Example Netherlands: Number of Eco Products in the Market Q2 2023**

GFK

Still a long way to go for Printing Devices

**Recycled Material** 

Number of Items

5

**Eco Consumption** 

Number of Items

4

**Recycled Material + Eco Consumption** 

Number of Items

4

### Are refurbished phones an option?

For what reason do consumers buy used electronics?

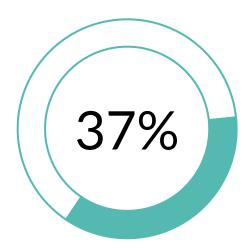


19%

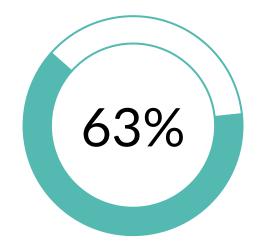
of global consumers share concerns about global warming and climate change

Up by 2.6% vs 2019 / Consumer Life 2023 | Top 2 boxes

Consumer who bought a used electronic item or appliances, stated:



"Mainly to help preserve environment"



"Mainly to save money"

- The vast majority of consumer buy used items in order to save money.
- Every 3<sup>rd</sup> consumer who bought an used item did that for environmental reasons, though
- With increase budget concerns we can expect that people purchasing 2<sup>nd</sup> hand or refurbished items for those reason more often.
- However also the Environmental issue is gaining in awareness. Which may also drive consumer to purchase refurbished for environmental concerns.
- Eventually the market for refurbished is expected to increase





of consumers say they want brands and retailers to offer sunglasses made with more sustainable materials



Over half will be more loyal to brands offering recycled plastics

#### Not only brands has an important role to play



Retailers in France leading by example: Partnering with startups to offer refurbished/second life sunglasses



- Lunettes de ZAC is a French startup specialising in giving sunglasses & eyeglass frames a second life, works in three stages: collection, refurbishment and return to the market.
- ZAC has just signed a partnership with Écouter Voir, the fourth largest optical retailer in France. This offers them a chance to expand their business footprint.
- **Écouter Voir** will offer collection boxes for old glasses in 720 of their stores from September.



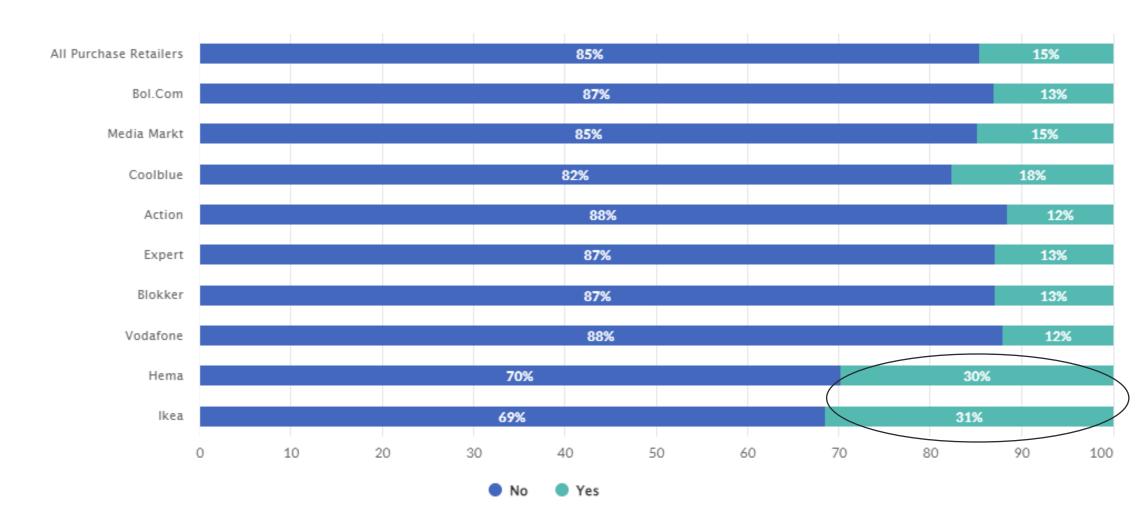
- Optic 2000, another French retailer, has just launched a pilot program at a selection of 13 of its stores aimed at giving new life to glasses (initially only for sunglasses).
- It includes a dedicated pop-up store in Paris where consumers can exchange their old glasses for a voucher for a future glasses purchase. Those old glasses are taken away for refurbishment and are sold on to a new consumer
- The program aims to be part of the circular economy: to repair or make glasses last longer, and recover and refurbish glasses to give them a new life.

### **Eco Leading Edge Consumers\***

#### Eco-Friendly Shopping - retailers



\*Eco LEC's care deeply about environmentally friendly consumption and are eager to try new products and services that align to their values.



Source: gfknewron Consumer

Purchase retailer

#### Sustainability 2023: enter the next level & differentiate



### **Executive summary**

#### Consumer

Sustainability remains a resilient consumer value – despite all disruptions.

Climate change as a main concern for Dutch people

#### Market

Sustainability claims can be a differentiator.

It is yet difficult to prove a price premium paid solely for sustainability without a clear additional saving (via durability, energy efficiency...)

#### **Brands**

Pivoting brand equity towards sustainability is crucial for many brands.

As eco-images are not yet developed in consumers minds, fast movers will reap the benefits.

#### Legislation

Legislative pressure is up and expected to further gear up in the coming years.

See automotive/emobility/energy labelling in general

#### **Contact details**

Please reach out to us in case of any further questions





- Questions about this presentation
- Further information around sustainability
- Eco claim reporting
- Consumer and Market related questions



# Thank you

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