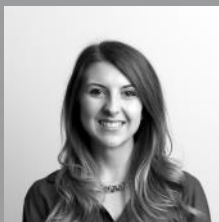


# The evolution of sustainability

---

Ripple effects from natural and green demands is bringing sustainability front and center for Americans.



Rebecca Cullen  
Household Care Analyst

September 2020

# Agenda

## Sustainability trends

Consumers have ethical and environmental aspirations with the dawn of a total lifestyle shift.

## Market overview

Ethical claims: what has evolved and which claims are emerging or leading

## Movers and Shakers

Spotlight on brands and products innovating

## Key takeaways

The future implications, from an analyst point of view







# Pandemic will accelerate green interests

Mintel's 2030 Household Trend *Together in Isolation* takes a 10-year approach to the future of the homecare industry, particularly with a view to **how sustainability and corporate social responsibility will evolve.**

Although demand for natural or eco-friendly products may have waned in recent months as removing potential viruses from the home has become the main priority, **overall underlying demand will not disappear in the wake of the pandemic.**

**The move toward eco-friendly products across homecare categories will continue to develop.**

# Green and natural are becoming the norm

Nature has long been incorporated into beauty routines and it is migrating into the household category. But new concerns of sustainability and ethics are taking the message to new heights.

IN 2019

86%

of US household launches  
made either natural or  
environmental/ethical claims



# Interest in natural household

Consumers are looking for alternatives that fit clean product ideals - environmentally friendly, natural and safe to use.

45%

of US natural household product buyers purchase natural more often compared to a year ago

54%

of US adults who clean the home prefer to use natural cleaning products

28%

of US aircare users agree natural aircare products are safer than mainstream options

*Base: 1,176 internet users aged 18+ who have purchased natural or eco-friendly household products; 1,888 internet users aged 18+ who clean the home; 1,727 internet users aged 18+ who use aircare products*

*Source: Lightspeed/Mintel*



# Environmental issues are growing

Our throwaway culture coupled with the influx of natural innovation is raising consumer concern about the environment, inspiring them to think about how to preserve the world around them.

This, coupled with increasing transparency, means brands are under a microscope.

A bigger-picture focus is needed throughout the whole household industry supply chain for a true zero-waste mentality.



# This is mirrored in innovation trends

US:% of household product launches, by claim category, September 2015 - August 2020

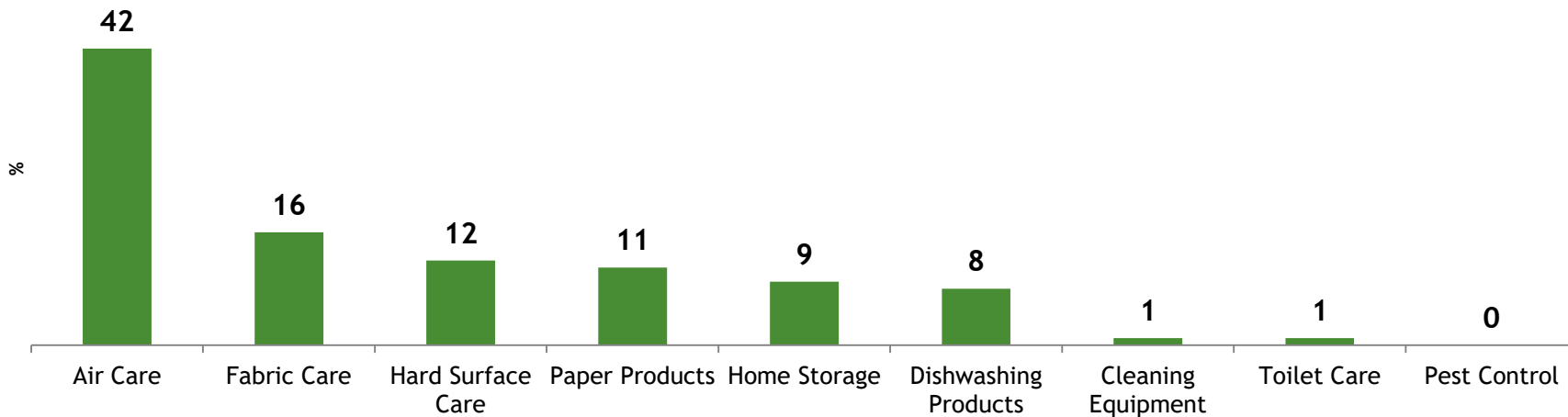
	2015	2016	2017	2018	2019	2020*
Ethical & environmental	53%	51%	57%	56%	61%	64%
Positioning	37%	34%	32%	40%	37%	26%
Convenience	32%	33%	33%	28%	30%	28%
Natural	24%	19%	20%	30%	34%	44%
Functional	12%	12%	12%	10%	9%	10%



# 'Experiential' categories use these claims to aid differentiation

These claims are less necessary for purely functional and result-focused categories

US: % of Natural or Ethical/Environmental Household Launches, by category,  
September 2019 - August 2020



# A shift to humanitarian efforts, in addition to planetary

## Top growing ethical/environmental claims among household launches in US

Claim	2018	2019	% change
Ethical - Charity	2.2%	4.6%	109.5%
Sustainable (Habitat/Resources)	11.3%	15.3%	35.5%
Ethical - Animal	10.2%	11.9%	16.1%
Ethical - Human	2.7%	3.1%	14.9%
Carbon Neutral	0.2%	0.2%	14.9%
Environmentally Friendly Package	36.2%	39.9%	10.4%

Championing a cause is important to consumers, and the environment is an increasing concern.

# Brands champion a cause

Indie bpc and household brands grounded in ethics, purpose.



**haia (Happy as I Am) aims to integrate self-esteem boosts with inclusive, natural skincare**



**Puracy supports local charities and artists with safe, science-backed household products**





# INGREDIENT TRENDS

From natural-identical alternatives to concentrates, ingredients can support zero waste storylines.

# Preserving and future proofing nature

As predicted in Mintel's 2025 BPC Trend *Water - the new luxury*, the global water crisis is changing the mindset of consumers and empowering them to make sustainable choices.

With water pollution and scarcity increasing, consumers are becoming more water-aware and more manufacturers are taking proactive steps in moving towards a sustainable future.

Use of water-saving claims on household product packaging has increased over the past three years. The most important sectors making water-saving claims are fabric care, dishwashing products and hard surface/toilet care.

*Base: 1,939 internet users aged 18+ who have purchased household products in the last 12 months*

*Source: Lightspeed/Mintel*

WATER CONSCIOUS

53%

of US household product purchasers place high importance on using as little water as possible when cleaning

MINTEL

# Water alternatives

Besides cutting water out of the manufacturing process, there is opportunity to use water that has already been utilized elsewhere.



The Delicate Shampoo with antibacterial, detoxifying rosemary water.



Ecover Apple & Bergamot Scented Dishwashing Liquid



# Rinseless beauty and homecare

There will be greater focus on products that limit water use during manual washing, such as products that rinse more easily.



Instant Refresh Dry Shampoo



Day2

# 'Dehydrated' products - just add water

Concentrated products are nothing new and have been marketed for some years, but products have become increasingly concentrated in recent years.

Concentrates and ultra-concentrates provide a less wasteful solution, from a water standpoint and carbon footprint.



DS3 Clean



Blueband

# Nature-identical needs meet clean demands

Consumers are becoming more comfortable with the discussion around "safe synthetics" as more brands realize natural isn't always better.

The concept of natural ingredients, from beauty to personal care to household, must expand in an ever-changing world, encompassing **local approaches as well as technology developments.**



Henry Rose Last Light Eau de Parfum



Headspace technology captures the scent of this exotic flower



# Provenance claims become a priority



**Cheer Up Brightening Vitamin C Eye Cream with Acerola Cherry**



**Liquid Detergent with Organic Lavender for Whites & Colours**

As more and more brands go "natural" based on consumer demand, this places emphasis on where those natural ingredients are coming from and how they are produced.



# PACKAGING APOCALYPSE

Packaging the target of  
sustainability movement

# Plastic portrayed as the enemy

Plastic is not inherently bad, but consumers overuse of it is. Consumers believe brands should look for more sustainable ways and materials to replace their reliance on plastic per Mintel Trend Rethink Plastic.

Brands that cannot eliminate plastic from their packaging need to be upfront with consumers about how they are addressing the plastic pollution.

*Base: 1,894 internet users aged 18+ who do housecleaning*

*Source: Lightspeed/ Mintel*



# 44%

of US adults who do  
housecleaning feel brands  
should use sustainable  
packaging

**MINTEL**



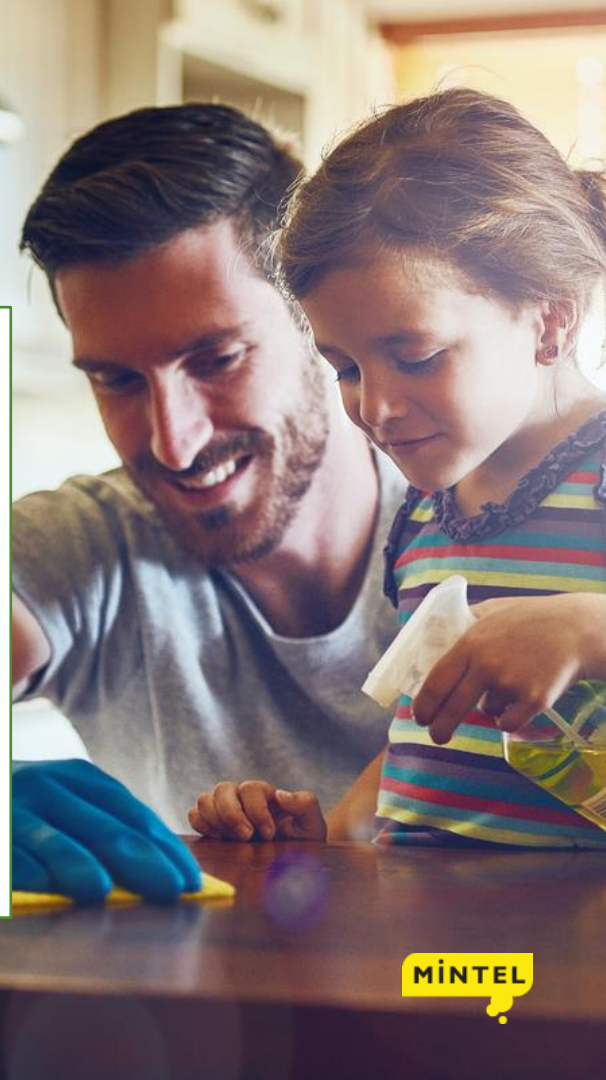
# Reduce plastic packaging and address plastic use

BPC and household packaging is dominated by plastic. In the 12 months to Nov. 2019, 56% of BPC launches and 48% of household launches used plastic as a primary packaging material.

Some brands are removing plastic completely, yet such a ubiquitous use of this material means this is an unlikely option for many BPC and household product categories and formats.

In order to address negative perceptions, if plastic packaging is used brands need to address this directly with consumers.

**On-pack copy can communicate how the brand is reducing the environmental impact of its plastic use.**



# Niche brands focus on 'plastic-free' as core brand value

Despite the plastic-free claim, the brand's Super Natural Shampoo retails in an aluminium bottle with a plastic dispensing closure, highlighting the **difficulty in completely eliminating plastic from functional packaging**. Similar challenges persist for household cleaning products and sprays.

Dropps ships its detergent pods in a compostable and reusable cardboard package, eliminating the need to buy large plastic jugs of detergent.



Super Natural Shampoo



Dropps

# Refillable pouches, packaging



**Public Goods Hand Soap Refill**



**Clean Cult refillable cleaners.  
Refills are milk-carton style**

The use of refill pouches is growing across BPC and household categories, enabling brands to make reduced plastic claims.

The circular economy is allowing refillable packaging and systems to go mainstream.

# Alternative materials: plant-based plastic



Sephora Brightening Eye Cream Hydrate + Depuff

The past year has seen a significant increase in use of plant-based plastic claims in BPC packaging launches, albeit from a very small base.

Such plant-based plastic claims move the sustainability focus from end-of-life disposal to a sustainable beginning of life material source.

Expect to see more brands in the personal care and eventually household space embrace green pack messaging and utilize plant-based plastics, such as vegetable plastic derived from sugarcane.



# Alternative materials

Products and packaging made from renewable resources fulfill both consumers' natural and ethical criteria. These beauty innovations could find a place in household.



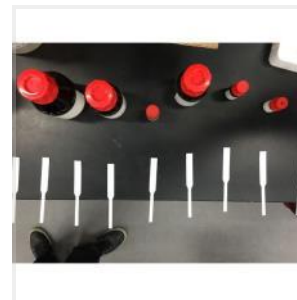
## Micro algae

Beauty Kitchen grows its algae in a photobioreactor, selling the resulting energy back to the electricity grid.



## Bamboo

Antonym products are packaged in sustainable bamboo, the fastest growing plant in the world.



## Yeast

Ginkgo Bioworks and Robertet have collaborated to create a rose fragrance from engineered yeast.

# Closing the loop on packaging

Simple 'can be recycled' claims remain the most common environmentally friendly packaging claim in BPC and household, the past year has seen a swift increase in green packaging claims that focus on plastic use.



Pantene Loop packaging



Vinegar Cleaner



# THE FUTURE OF SUSTAINABILITY

# Environment will just be one part of sustainability in the future

Mintel's 2030 Global Household Trend *Together in Isolation* looks at the evolution of sustainability and CSR over the next decade.

Homecare brands have traditionally focused on the environment to demonstrate sustainability.

Packaging that reuses existing materials, or prevents the creation of new ones, will continue to be a main area of focus, alongside ingredient sourcing that has no detrimental effect.



# Room to expand upon existing and emerging pillars of sustainability



Social

It will be critical for brands to cover all three pillars of sustainability - economic, environmental and social - as well as emerging pillars like health in order to succeed.



# Watch for emergence of new pillars, like health



Probiotic Power Dish Soap

The impact of products on health will become **another factor** in what consumers consider sustainable.

# Key takeaways for success: how brands can keep up with the sustainability evolution

## Ethical claims can boost green credentials

Ethical/environmental features can increase Green credibility where the use of natural ingredients could affect product results.

## Use nature responsibly and consciously

Ingredients must serve a purpose and have minimal impact on the environment. Making sure packaging is recyclable is now a minimum ethical requirement.

## Don't resist the change

Users will hold you accountable for your sourcing and manufacturing processes, and will look favorably on brands that find ways to address these issues head on.

# Meet the Expert



**Rebecca Cullen**

Household Care Analyst

rcullen@intel.com

**The world's leading market  
intelligence agency**

Our expert analysis of the highest quality data and  
market research will help you grow your business.



**Experts in what  
consumers want  
and why**

