

THE AUSTRALIAN ETHICAL CONSUMER REPORT



mccrindle



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INTRODUCTION

The global fashion industry has a significant impact on environments and people around the world. It provides a job and livelihood for over 50 million people, but for too many of these it fails to pay living wages and creates risks of forced labour. Environmentally, the fashion industry is estimated to contribute up to 10% of greenhouse gas emissions, and 20% of wastewater globally. The complex global supply chains that connect consumers with the origins of their clothes mean these impacts, and the potential to change them, are too often hidden.

Since 2013, Baptist World Aid Australia has worked to raise the standards for workers in global fashion supply chains through the Ethical Fashion Guide. This vision emerges from our mission as a Christian international aid and development organisation, as we work toward *'a world where poverty has ended and all people enjoy the fullness of life God intends'*.

Now published in October each year, the Ethical Fashion Guide shines a spotlight on the practices of major Australian and global fashion brands, providing information to guide consumer decisions.

In this new Ethical Consumer Report, the next part of the story, the role of the Australian consumer, is brought into focus. This report seeks to understand the attitudes and beliefs of the Australian consumer towards ethical fashion consumption. It uncovers the key motivations for Australians when making purchasing decisions and measures their position on the journey towards becoming an ethical consumer through the Ethical Consumer Index (ECI).

This report is the collation of data gathered by McCrindle in an online survey of 2,006 Australians, nationally representative by age, gender and state. The survey was in field between 24 February and 4 March 2021.



KEY INSIGHTS

AUSTRALIANS ARE DRIVEN BY QUALITY AND PRICE WHEN MAKING PURCHASES

Top influences for Australians when making purchasing decisions



AUSTRALIANS FEEL A SENSE OF GLOBAL RESPONSIBILITY



Three in five Australians (61%) strongly/somewhat agree that Australia has a responsibility to support our regional and global neighbours to overcome poverty and disasters.



More than half of Australians (56%) believe it's important for people to consider how their purchases impact people overseas.

AUSTRALIANS WANT TO CHANGE THEIR CONSUMPTION HABITS



Almost **three in four Australians** (73%) strongly or somewhat agree ethical fashion is important.



87% want to change their clothing and fashion consumption habits to consume more ethically in the future.



Over the past three years, **three in five Australian consumers** (62%) have become more aware of the impacts of their purchasing decisions.

TOP 3 BARRIERS FOR AUSTRALIANS TO SHOP ETHICALLY

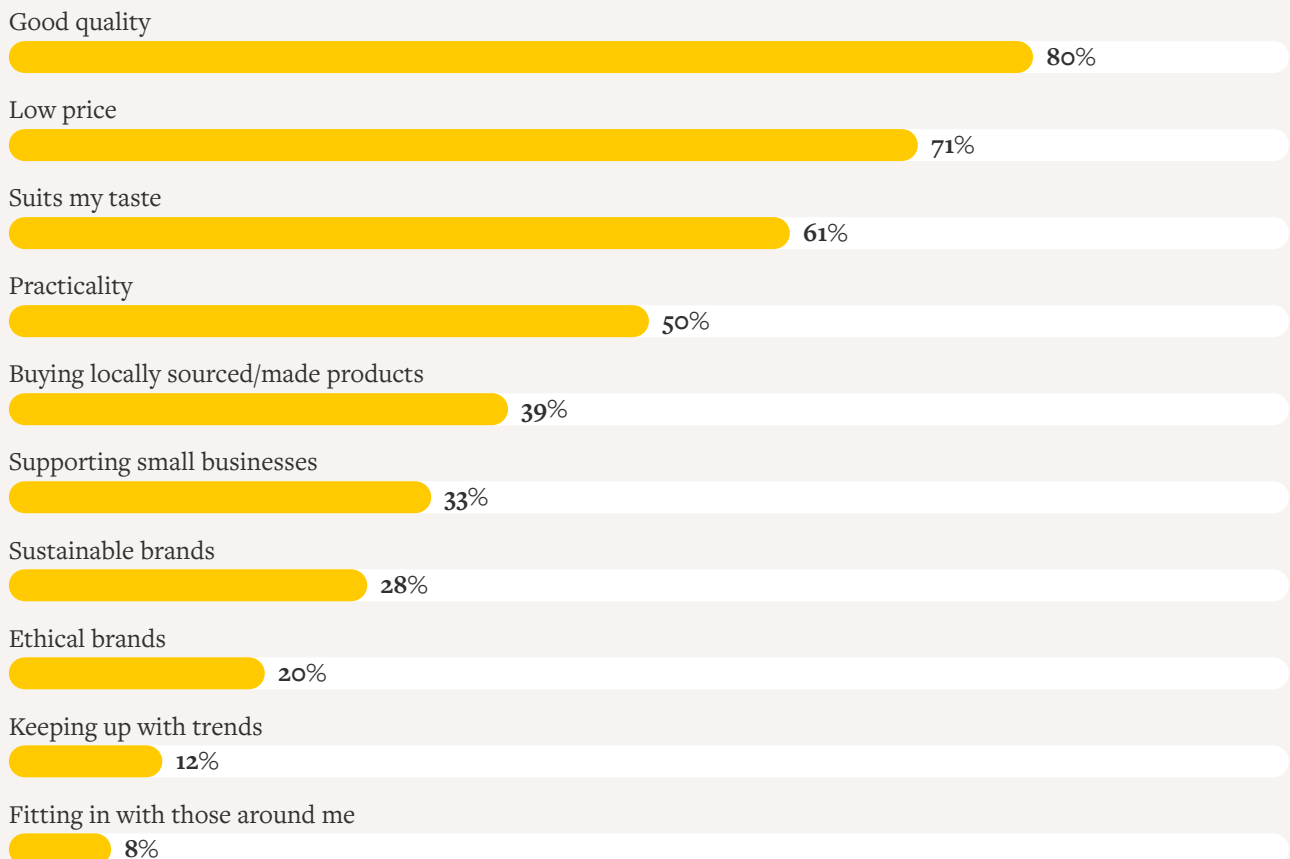


PRIORITIES AND PREFERENCES OF AUSTRALIAN CONSUMERS

Australians are largely driven by value when making purchases. Good quality (80%) coupled with low price (71%) are most likely to influence Australians' purchasing decisions. Taste can also play a significant role, with three in five (61%) suggesting suitability to their taste influences their decisions. Australians are less likely to be swept up in trends, with only 12% suggesting keeping up with trends influences their decision and even less (8%) being influenced by fitting in with those around them. Younger Australians are, however, more likely to be influenced by keeping up with trends compared to their older counterparts (29% Gen Z, 16% Gen Y cf. 9% Gen X, 2% Baby Boomers, 2% Builders).

Females and males can often be influenced by different factors when making a purchase. Males are more likely than females to be influenced by practicality (53% cf. 48%) and locally sourced/made products (42% cf. 36%), whereas females are more influenced by price (74% cf. 69%) and sustainable brands (31% cf. 24%).

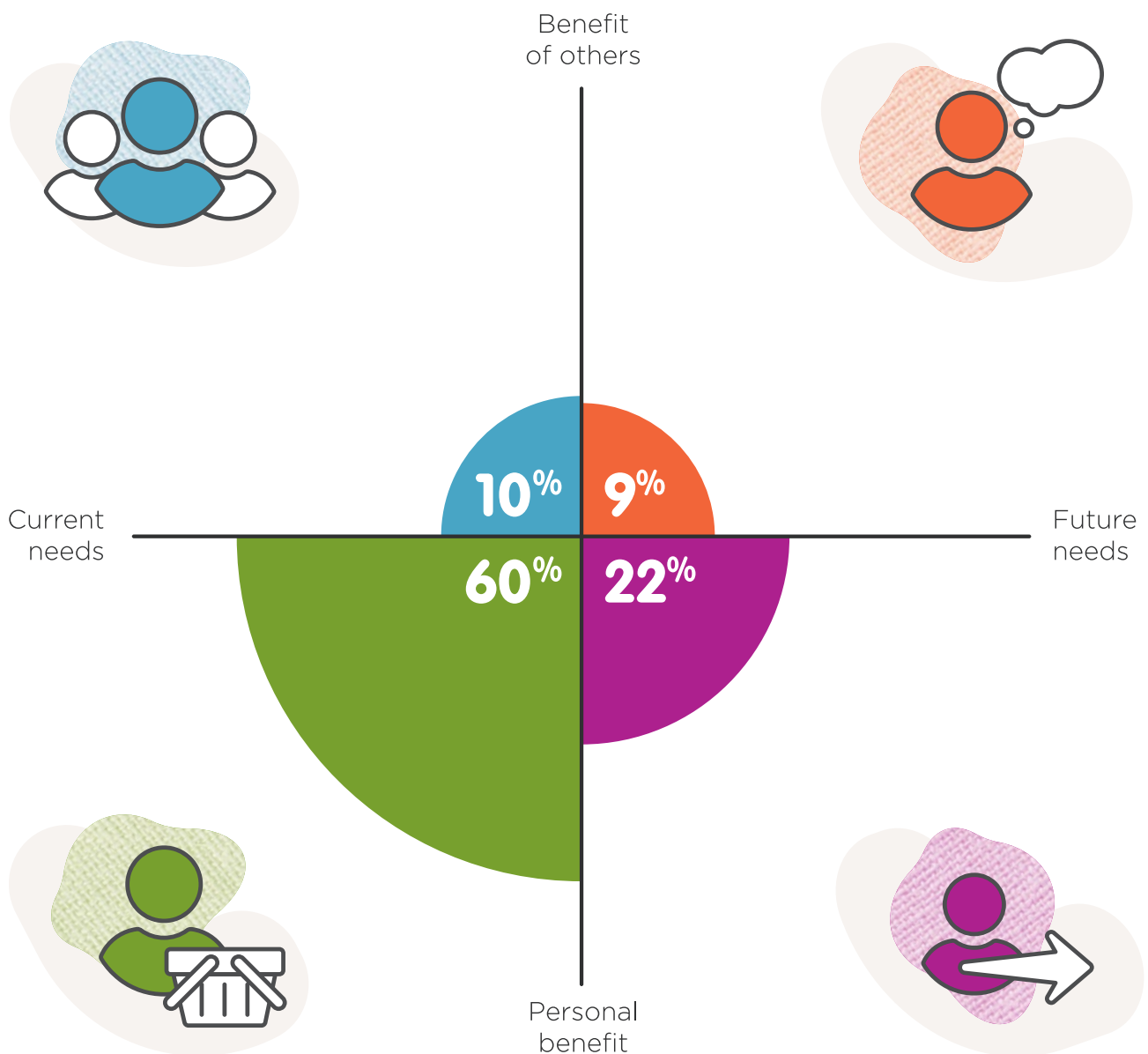
TOP 10 INFLUENCES FOR AUSTRALIANS TO CHANGE THEIR CLOTHING AND FASHION CONSUMPTION HABITS TO CONSUME MORE ETHICALLY



AUSTRALIAN CONSUMER ARCHETYPES

Purchasing decisions, like many decisions in life, are influenced by an individual's attitudes, beliefs and opinions about the world they live in. As a result, an individual's purchasing habits can have a significant impact on their desire and motivation to shop ethically.

Four consumer archetypes have been developed to understand the core motivations for Australians when making purchasing decisions. These archetypes show whether Australian consumers are more driven by their personal benefit or the benefit of others, and whether they buy thinking about current needs or future impacts.





Practical Purchasers - 60%

Practical Purchasers prefer to focus on what is going to best meet their needs in the here and now, rather than worrying about their future needs or what impacts their purchases will have in the future. When making purchasing decisions, Practical Purchasers tend to think about their personal benefit rather than the impact it will have on others. These consumers are largely driven by price and whether an item suits their taste when making purchasing decisions.



Intentional Individualists - 22%

When making purchasing decisions, Intentional Individualists like to think ahead. They are more likely to buy thinking about their future needs than their current needs. This could mean purchasing products that are high quality or more durable, avoiding buying trendy items that will quickly go out of vogue or buying products that can be reused or repurposed for years to come. Intentional Individualists believe their personal benefit matters more than the impact of their purchases on others, so they are most likely to consider their own future needs rather than the future needs of others.



Socially-minded shoppers - 10%

Socially-minded Shoppers believe the impact of their purchases on others matters more than their own benefit. This could mean they consider the impact of their purchases on those around them, such as buying products to benefit their family or household or buying gifts for others. But Socially-minded Shoppers may also be considering the broader impacts at each stage of the supply chain such as the human rights of workers or the environmental impact of production. These shoppers are more likely to think about current needs, rather than future needs or impacts, so may prioritise the current need of others over the potential impact of their purchases for people or environments in the future.



Conscious Consumers - 9%

Conscious Consumers think about the long-term impact of their purchasing decisions and bring a holistic perspective to their shopping habits. When making purchasing decisions, Conscious Consumers believe the impact on others matters more than their personal benefit. They are also more likely to think about future needs or impacts than they are to think about current needs. With their outward focus, it's likely that Conscious Consumers are thinking about the future impacts of their decisions, not for themselves, but for the people and environments around them. This could mean buying from ethical and sustainable brands, buying products that will not harm the environment or buying products that can be reused or repurposed.

Australians are becoming more conscious of their impact

As a nation, Australia is seeing an increasing awareness of the importance of ethical consumption. Over the past three years, three in five Australian consumers (62%) have become more aware of the impacts of their purchasing decisions and two in five (42%) strongly/somewhat agree they will change their consumption habits to be more ethical in the next 12 months.



GLOBAL CITIZENSHIP AND ETHICAL CONSUMPTION

As much of the clothing and fashion industry relies on complex global supply chains, the way in which Australian consumers see themselves as part of the global community is an important indicator of their desire to consume more ethically.

Most Australians are engaged with the world around them and feel a sense of solidarity with their regional and global neighbors. Three in five (60%) strongly/somewhat agree they keep up to date with world news and events and two in five (41%) feel a sense of solidarity with people all over the world. Just over one in three (34%) say they feel more like a global citizen than a national citizen.

Younger Australians are driving an increasingly global mindset among Australians

Younger Australians are even more likely to see the world through a global lens. More than two in five Gen Zs (45%) and Gen Ys (41%) feel more like a global citizen than a national citizen, compared to 33% of Gen X, 27% of Baby Boomers and 13% of Builders. Younger generations are also more likely to feel a sense of solidarity with people all over the world (48% Gen Z, 47% Gen Y, 39% Gen X, 35% Baby Boomers, 31% Builders).

YOUNGER GENERATIONS ARE MORE LIKELY THAN OLDER AUSTRALIANS TO HAVE A GLOBAL MINDSET





Australians feel a sense of global responsibility

Given this engagement with the world around them, most Australian consumers feel a sense of global responsibility. Three in five (61%) strongly/somewhat agree that Australia has a responsibility to support our regional and global neighbours to overcome poverty and disasters. One way in which Australians are living out this sense of responsibility is in giving to organisations working overseas. More than half of Australians (55%) give to charities and not-for-profits working overseas at least once a year.

Ethical consumption is another way Australians can promote the wellbeing of people living overseas.



More than half of Australians (56%) believe it's important for people to consider how their purchases impact people overseas.

ARCHETYPE INSIGHT: CONSCIOUS CONSUMERS ARE MORE LIKELY THAN OTHERS TO FEEL A SENSE OF SOLIDARITY WITH PEOPLE ALL AROUND THE WORLD



Conscious Consumers

58%



Socially-minded Shoppers

52%



Intentional Individualists

39%



Practical Purchasers

38%

ETHICAL FASHION CONSUMPTION IN AUSTRALIA

Although 56% of Australian consumers believe it's important for people to consider how their purchases impact people overseas, there is room to increase the awareness and understanding of ethical consumption in Australia. Baptist World Aid is a key organisation leading the conversation around ethical fashion consumption in Australia through their annual Ethical Fashion Guide. Since 2013 Baptist World Aid has seen a mounting interest in the topic of ethical fashion consumption from consumers and brands. But there is still room to grow.

More than half of Australians (52%) do not know what the term ethical fashion means. Female consumers (57%) are more familiar with the term than males (38%), as are younger Australians (66% Gen Z, 63% Gen Y, 44% Gen X, 29% Baby Boomers and 23% Builders).

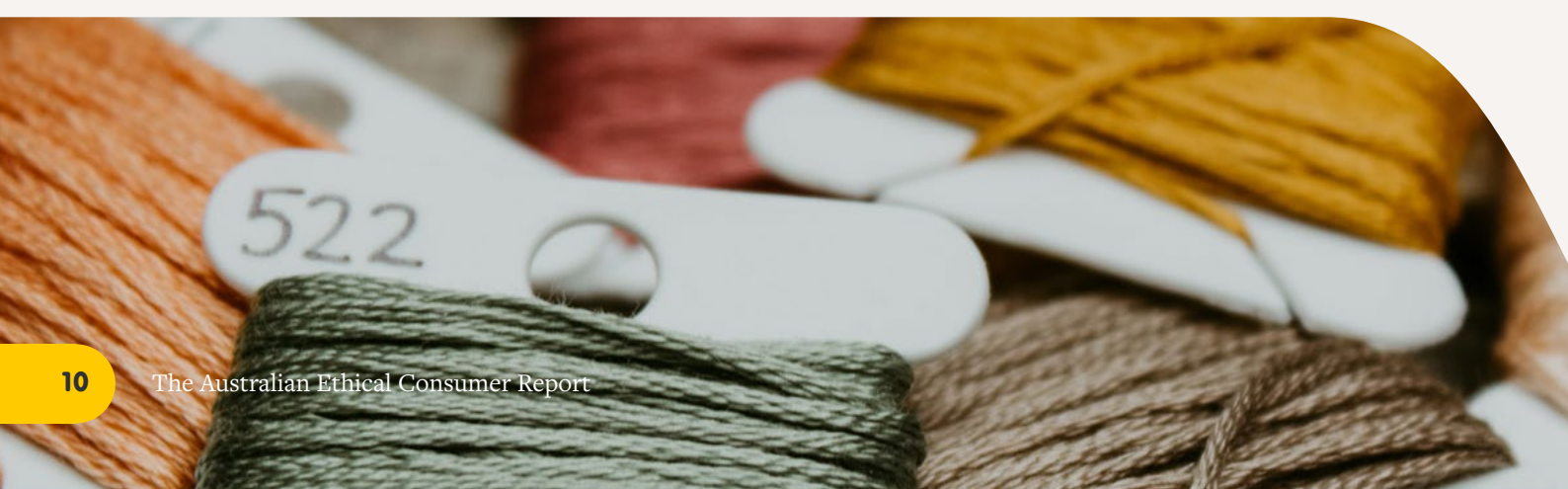
Who has a responsibility to take action on issues within the fashion industry?

From the sourcing of natural resources to the wages paid to workers, the fashion industry impacts the lives of people and environments all over the world. Most Australian consumers believe stakeholders in the industry have a responsibility to ensure human rights are upheld and the environment is stewarded well. On average, consumers believe companies hold the greatest responsibility to take action across a range of issues within the fashion industry (68%) followed closely by governments (63%).

Australian consumers are most likely to believe governments have a responsibility to ensure products are made without child labour (71%) or forced labour (70%) and safe working conditions (68%) are provided to those making products. Australians are also more likely to say companies have a responsibility to ensure products are made in safe working conditions (72%), products made without child labour (70%) and forced labour (70%).

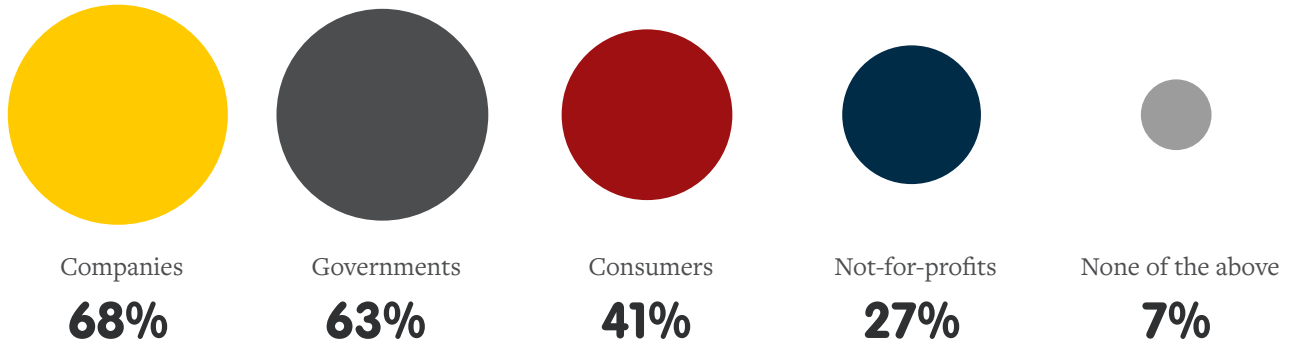
Australians are less likely to believe they, as consumers, have responsibility to take action on issues within the fashion industry, although they do acknowledge they play a role in creating change. Consumers are seen to have the largest responsibility to take action regarding animal welfare (47%), products not harming the environment (43%) and locally made products (55%).

These results show that Australian consumers have room to grow in understanding the power of their purchasing decisions and their responsibility to make decisions which have a positive impact for people and planet.



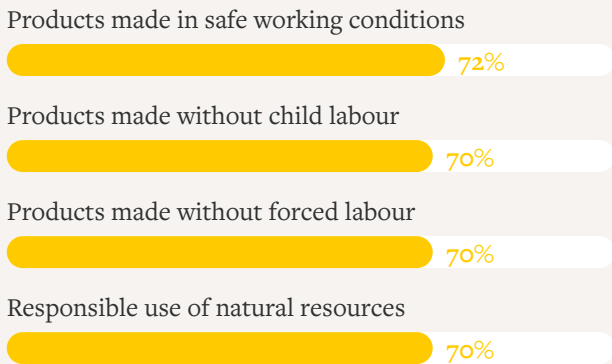
WHO DO YOU BELIEVE HAS THE RESPONSIBILITY TO TAKE ACTION ON ISSUES IN RELATION TO THE CLOTHING AND FASHION INDUSTRY?

Average across ten different issues by stakeholder

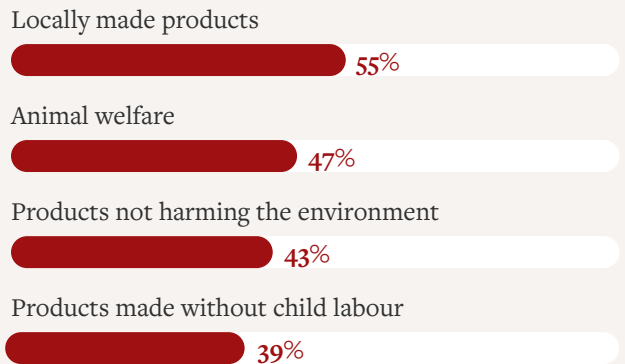


TOP 4 AREAS OF RESPONSIBILITY BY STAKEHOLDER

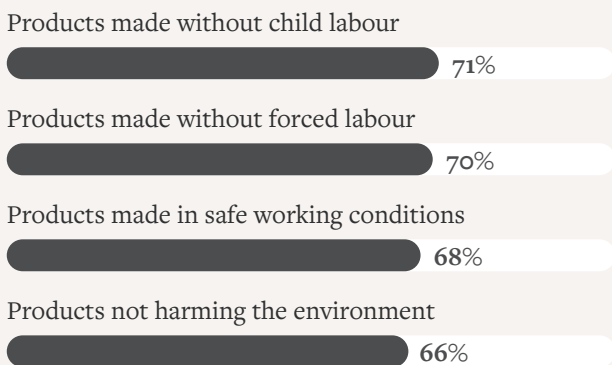
COMPANIES



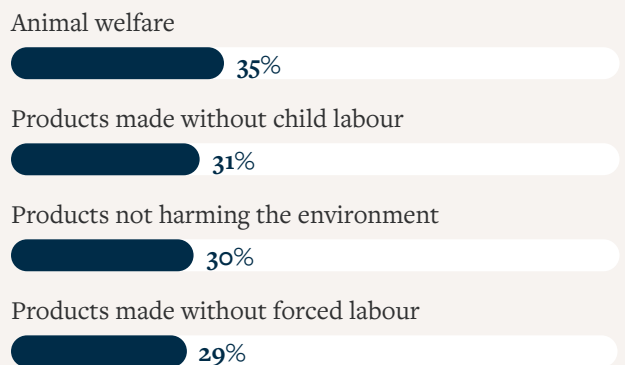
CONSUMERS



GOVERNMENTS



NOT FOR PROFITS



ETHICAL CONSUMER INDEX

The Ethical Consumer Index (ECI), developed by McCrindle, measures an individual's position on the journey towards becoming an ethical consumer, from recognising the impact of their decisions on others, to becoming a public advocate for the cause. For the purposes of this report, the Ethical Consumer Index has been tailored to the fashion industry.

The Index is based on five key measures coined 'the 5 As':



AGENCY measures the extent to which individuals recognise that their purchasing decisions have an impact on others and want their purchasing decisions to have a positive impact.



ATTITUDE measures the extent to which individuals believe ethical fashion is important and care about a range of issues relating to ethical fashion such as human rights and environmental impacts.



AWARENESS measures the degree to which individuals are motivated to learn about ethical fashion, are informed about specific human rights and environmental issues relating to ethical fashion and frequently engage with articles, reports and other information sources to learn about ethical fashion.



ACTION measures the extent to which individuals want to change their consumption habits to consume more ethically, purchase from brands they know are ethical and make purchases that have positive impacts for human rights and/or the environment.



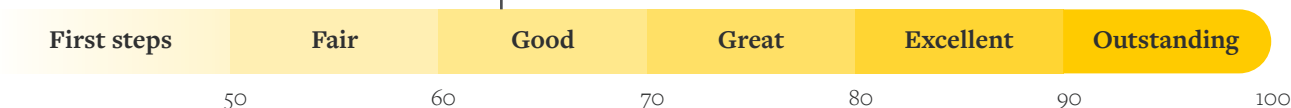
ADVOCACY measures the extent to which individuals believe it is important for others to be educated about ethical consumption, actively support initiatives encouraging ethical fashion and ask brands about their ethical policies and practices.

Overall, the 5 As comprise 18 unique measures. Each question uses a 6-point Likert scale measuring how strongly individuals agree with certain statements or how often they perform certain activities.

An average score is provided for each of the 5 As, and the average across the 5 As provides the overall ECI. The ECI can range from a score of 0 to 100. The diagram below provides a benchmark for different score brackets to show an individual's position on the journey towards becoming an ethical consumer.



AUSTRALIA'S ETHICAL CONSUMER INDEX SCORE 2021





Agency – 63

Agency measures the extent to which consumers recognise the impact of their purchasing decisions. Almost half of Australians (47%) strongly/somewhat agree that their purchasing decisions impact people beyond themselves and the retailer. A similar proportion (46%) want their purchasing decisions to have a positive impact on others. While Australian consumers want to have a positive impact, it's not yet top of mind for many when making purchasing decisions. One in three (32%) say they think about the impacts their purchases have on others.



Attitude – 81

Even though less than half of Australians (48%) know what the term ethical fashion means, Australians believe ethical fashion is important and care about the issues that exist within the fashion industry. When provided with a definition of ethical fashion*, almost three in four Australians (73%) strongly or somewhat agree ethical fashion is important. Australian consumers are most likely to care about products being made without forced labour (81%) or child labour (80%) and living wages for those making products (78%).

TOP 3 HUMAN RIGHTS ISSUES

- 1  81% products made without forced labour
- 2  80% products made without child labour
- 3  78% living wages for those making products

TOP 3 ENVIRONMENTAL ISSUES

- 1  74% animal welfare
- 2  73% responsible use of natural resources
- 3  72% products not harming the environment



Awareness – 56

Despite Australians believing in the importance of ethical fashion, there is a lack of knowledge about the issues within the fashion industry. In fact, awareness is the area in which Australian consumers score lowest. Two in three Australians (67%) believe it's important to be informed about the impacts of their purchasing decisions and 58% are motivated to learn about the impacts of their purchasing decisions. Despite many Australians being motivated to learn about the impacts of their decisions, the frequency with which Australians are engaging with information about ethical fashion is low. Almost three in five Australians (58%) engage with articles, reports and other information about ethical consumption a few times a year or less.



Action – 57

Action measures whether consumers are making purchasing decisions which have positive impacts for human rights and the environment. While 87% agree they want to change their clothing and fashion consumption habits to consume more ethically in the future, just 46% indicate they regularly purchase from clothing and fashion brands because they know they are sustainable (always/most of the time/often).



Advocacy – 59

Advocacy measures the extent to which individuals are supporting the cause of ethical consumption in the public sphere. Although many Australians (71%) believe it's important for everyone to be educated about ethical consumption, a much smaller proportion are taking steps in their own lives to advocate for the cause. Two in five Australian consumers (42% strongly/somewhat agree) actively support initiatives and organisations that encourage ethical consumption. One in three (34%) have conversations about ethical consumption with others and just a quarter (25%) strongly or somewhat agree they have asked a brand about their ethical policies and practices.

*Ethical fashion is an umbrella term to describe fashion that has been produced in ways that respect the rights of garment workers and the environment. It covers a range of issues such as working conditions, exploitation, fair trade, sustainable production, the environment and animal welfare (Slightly adjusted from the Victoria and Albert Museum's definition of ethical fashion, <http://www.vam.ac.uk/content/articles/w/what-is-ethical-fashion/>)

**ETHICAL CONSUMER INDEX
BY ARCHETYPE**



Conscious Consumers



Socially-minded Shoppers



Intentional Individualists



Practical Purchasers

	Conscious Consumers	Socially-minded Shoppers	Intentional Individualists	Practical Purchasers
AGENCY	75	69	63	60
ATTITUDE	87	84	83	80
AWARENESS	61	59	56	55
ACTION	66	59	57	55
ADVOCACY	66	64	60	56
ECI	71	67	63	61

**ETHICAL CONSUMER INDEX
BY GENERATION**



Gen Z
18 - 26



Gen Y
27 - 41



Gen X
42 - 56



Boomers
57 - 75



Builders
76+

69	67	62	58	55
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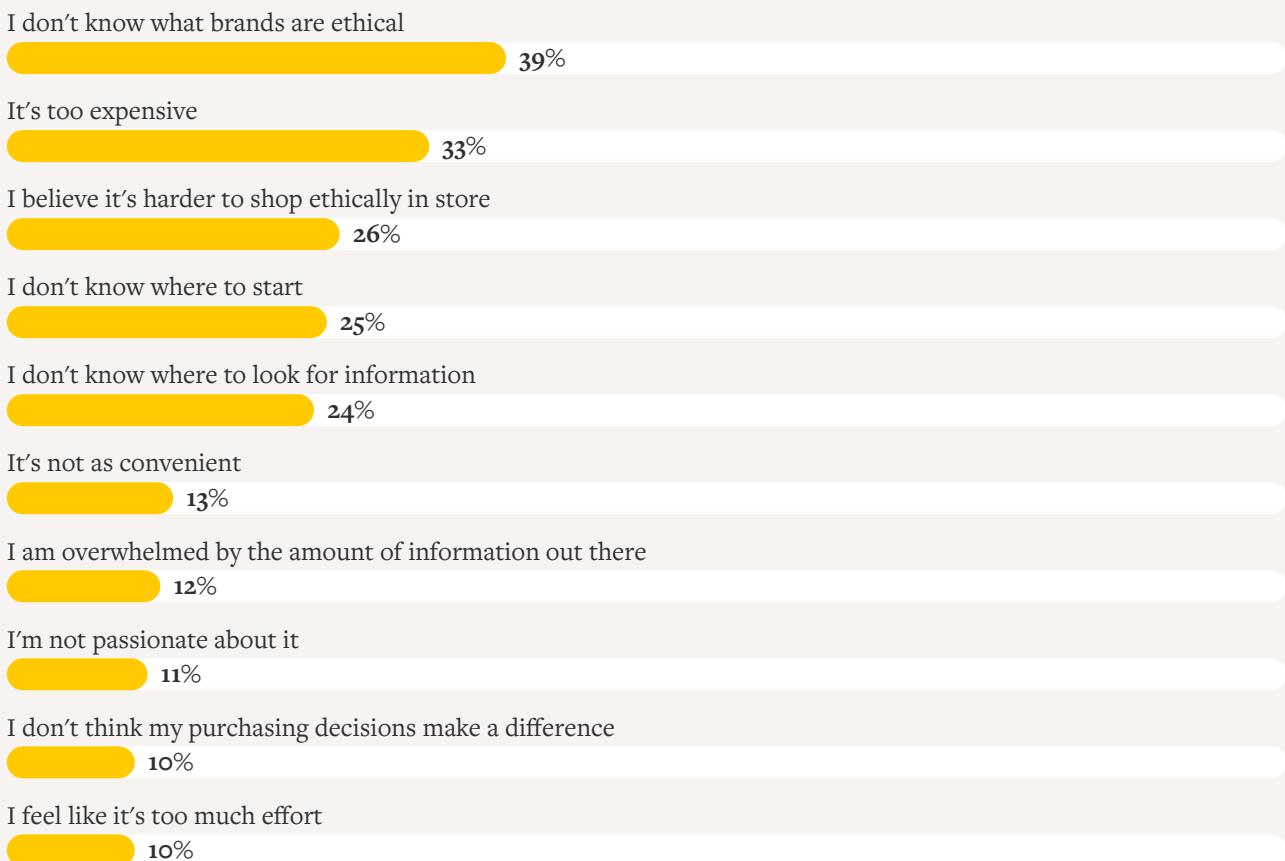


BARRIERS TO PURCHASING ETHICALLY

The Ethical Consumer Index shows that Australians are experiencing a disconnect between their beliefs and their actions when it comes to ethical consumption. Although Australian consumers believe ethical fashion is important and care about many of the issues that exist within the industry, only a small proportion regularly purchase from fashion brands because they know they are ethical and/or sustainable.

For Australia to become more ethical in its fashion consumption as a nation, it's important to understand the key barriers for individuals in purchasing ethically. Unsurprisingly, given awareness is the lowest scoring area in the index, the biggest barrier for Australians in shopping ethically is not knowing which brands are ethical (39%). This is followed by one in three (33%) who believe it's too expensive to consume ethically and a quarter of Australians (26%) who believe it's harder to shop ethically in store than online.

TOP 10 BARRIERS FOR AUSTRALIANS TO CHANGE THEIR CLOTHING AND FASHION CONSUMPTION HABITS TO CONSUME MORE ETHICALLY





Consumers face different barriers at each stage of the journey

As consumers progress along the journey towards becoming an ethical consumer, they may face different barriers at different stages. Those that are starting the journey towards becoming an ethical consumer (scoring 40 or below) are more likely than those who are further along the journey to lack a sense of responsibility and passion about ethical consumption.

Those who are finding momentum (scoring between 40 and 59) are more likely to feel a bit overwhelmed and may not know where to start or where to find information. Those who have started to take active steps towards ethical consumption (scoring 60+) are more likely than those with a lower score to feel overwhelmed by the amount of information out there and believe it's harder to buy ethically in store.

BARRIERS TO SHOPPING ETHICALLY BY ECI SCORES

BARRIER	Starting the journey (40 or below)	Finding momentum (40-59)	Taking active steps (60+)
I'm not passionate about it	36%	13%	7%
I don't think it's my responsibility	14%	6%	4%
I don't know what brands are ethical	38%	48%	35%
I don't know where to start	18%	30%	24%
I don't know where to look for information	14%	29%	22%
I am overwhelmed by the amount of information	5%	8%	14%
I believe it's harder to buy ethically in store	13%	26%	28%

TAKING THE NEXT STEP ON THE JOURNEY

No matter where an individual is on their journey towards becoming an ethical consumer, there are steps that can be taken to consume more ethically in the future. Below is a list of next steps that can be taken to improve in each of the 5 As.



Agency

- Take the Ethical Consumer quiz to see where you are on the journey towards becoming an ethical consumer.
- Watch the documentary, *The True Cost*, to better understand the difference consumers can make in global supply chains.



Attitude

- Hone your interest area by choosing one issue within the fashion industry that you care about most and stay informed by reading articles, reports and blogs about this issue. Head to baptistworldaid.org.au to learn about the issues within the fashion industry.
- Join an online community that is passionate about ethical consumption to stay inspired.



Awareness

- Look up your favourite brands in the Baptist World Aid Ethical Fashion Guide to see how strong their ethical practices are.
- Read the Ethical Fashion Report: COVID Edition to see how the global pandemic has impacted garment workers around the world.



Action

- Take the ethical consumption challenge – only purchase from brands that score well in the Baptist World Aid Ethical Fashion Guide.
- Buy second hand to reduce waste.



Advocacy

- Ask one of your favourite brands about their ethical policies and practices.
- Start a conversation with your friends or family about ethical consumption.
- Support Baptist World Aid in their work to protect workers and the environment through ethical consumption.





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