

ARE CONSUMERS PUTTING THEIR MONEY WHERE THEIR MOUTHS ARE?

EXPLORING SOCIALLY CONSCIOUS PURCHASING AND INVESTING IN CANADA

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The Impact of Social Issues

With more brands being taken to task on social issues by consumers and/or the media, Ipsos wanted to better understand who is acting with their wallets. Some consumers are taking these factors into consideration before making a purchase and some investors are considering the social impact of their investments. But the question for business leaders and policymakers is how much action is being taken and by who.

On the business front, brands are beginning to understand that being socially responsible is not only about return on investment (ROI), and some investment funds are applying non-financial factors to their analysis to identify material risks and growth opportunities. Finally, some governments are trying to nudge citizens to think and behave more responsibly.

Through our monthly Context tracking in 32 countries, we explore the gap between what consumers say about the social issues and causes they support, and how it affects the goods, services or investments they purchase.

We bring insight and understanding to:



The context in which socially conscious purchasing decisions are being made



The proportion of people who are making/changing a purchase decision because of environmental, social or ethical concerns.



Demographic comparisons

The Current Context

- The first climate change alarm bells rang over three decades ago. The Truth and Reconciliation Commission was founded in 2008. Black Lives Matter has existed for nearly a decade.
- Canadians are very familiar with these and other systemic social and environmental issues ailing the country. In survey after survey, majorities express their concern for a lack of progress on climate change, racism, reconciliation, etc. And yet, as individuals, many don't communicate or express their views around these issues and even fewer use their purchasing or investing power to re-shape things for the better. They are instead looking to governments and corporations to lead this change. As such, doing good has changed from a "nice to do" to a cost of entry for businesses.
- Social and environmental issues will not fade from the public consciousness. Canadians will continue to expect companies to do their part. This is about more than CSR initiatives and charitable donations. Products and services need to be shown to have both personal consumer attributes (they make life better) and direct social and environmental outcomes (they make the world better). Anything short of this will be seen as green washing and goodwill hunting.
- Brands need to take into consideration the current economic conditions in which fewer people are interested in paying more for anything — no matter what the purported social and environmental benefits are.
- Despite the anecdotes that Canadians are more focused on social and environmental issues compared to others around the world, the country's performance is largely below average when looking at socially conscious actions taken.
- Finally, declining social cohesion points to an increasing "me over we" (vs. "we over me") perspective. Therefore, efforts to motivate social purchasing need to make a clear link to how this benefits the "me" as much or more than how it benefits society in general.

Key Learnings

- Currently, most Canadians (66%) are not acting with their wallets based on environmental, social or ethical concerns. What's worrying citizens now - healthcare, inflation, housing and the economy - is leaving little room for social concerns to rise to the forefront of public consciousness. However, it's only a matter of time before one or more of these issues comes to the fore. And with consumers' long-term memory and government's continued nudging in this space, it is in companies' ethical and financial interests to consider these issues in their business activities.
- 57% of Canadians are engaged on socio-political issues, but only 31% have made or changed (activated) a purchase decision based on environmental, social or ethical concerns, and just 19% have done the same with an investment. When looking at the gap between those who are engaged vs. those who are activated, we see key differences by demographics, with Gen Z being far more active, both from a purchase (49%) and investment (37%) view.
- A silver lining in this cloud is a segment of the population Ipsos is calling Convertibles. This is a group of Canadians that are talking about issues, but not acting on them ... yet. Convertibles are currently 24% of the population and more likely to be older, with higher income and education levels – making them a desirable target for brands.
- While there are some differences between the importance of social, environmental and ethical issues, they are not significant enough to override other factors that brands should consider when deciding where to focus their efforts. What's key is a fit between the brand and the issue, as well as trust that the brand can legitimately provide value with their support.

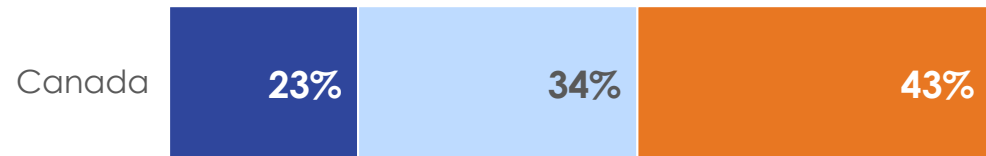
SOCIALLY CONSCIOUS PURCHASING & INVESTING IN CANADA

Engaged Canadians

57% of Canadians are classified as either High or Moderate on the Ipsos Social Activism Index – meaning that they are engaged on socio-political issues.

IPSOS SOCIAL ACTIVISM INDEX

■ HIGH ■ MODERATE ■ LOW



“Engaged” – wrote online content, or gave time/money to a charity, cause, protest, etc.

Activated Canadians

When it comes to socially conscious purchasing and investing, the proportion of Canadians that are classified as high or moderate is at best half of the number of those who are engaged (31% are social purchasers, 19% are social investors vs. 57% who are engaged generally).

IPSOS SOCIAL PURCHASING INDEX

■ HIGH ■ MODERATE ■ LOW



Social Purchasing – made or changed a purchase based on environment, social, or ethical concerns.

IPSOS SOCIAL INVESTING INDEX

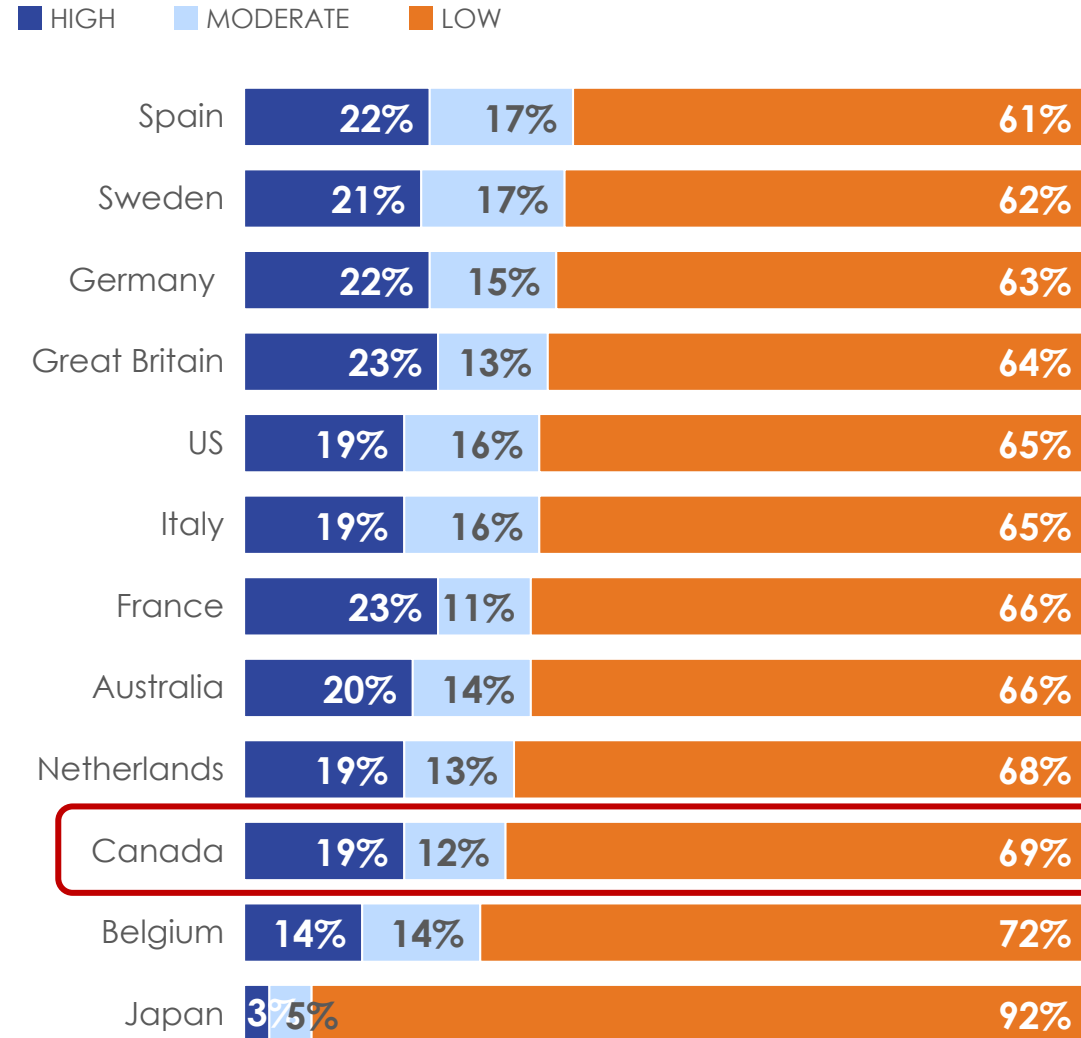


Social Investing – made or changed an investment based on environment, social, or ethical concerns.

Activated – Social Purchasing

Despite claims by many Canadians that we are global leaders on concern about the environment and social issues, the proportion of those making socially conscious purchases places us near the bottom of the list among the developed countries reported.

IPSOS SOCIAL PURCHASING INDEX



Social Purchasing – made or changed a purchase based on environment, social, or ethical concerns.

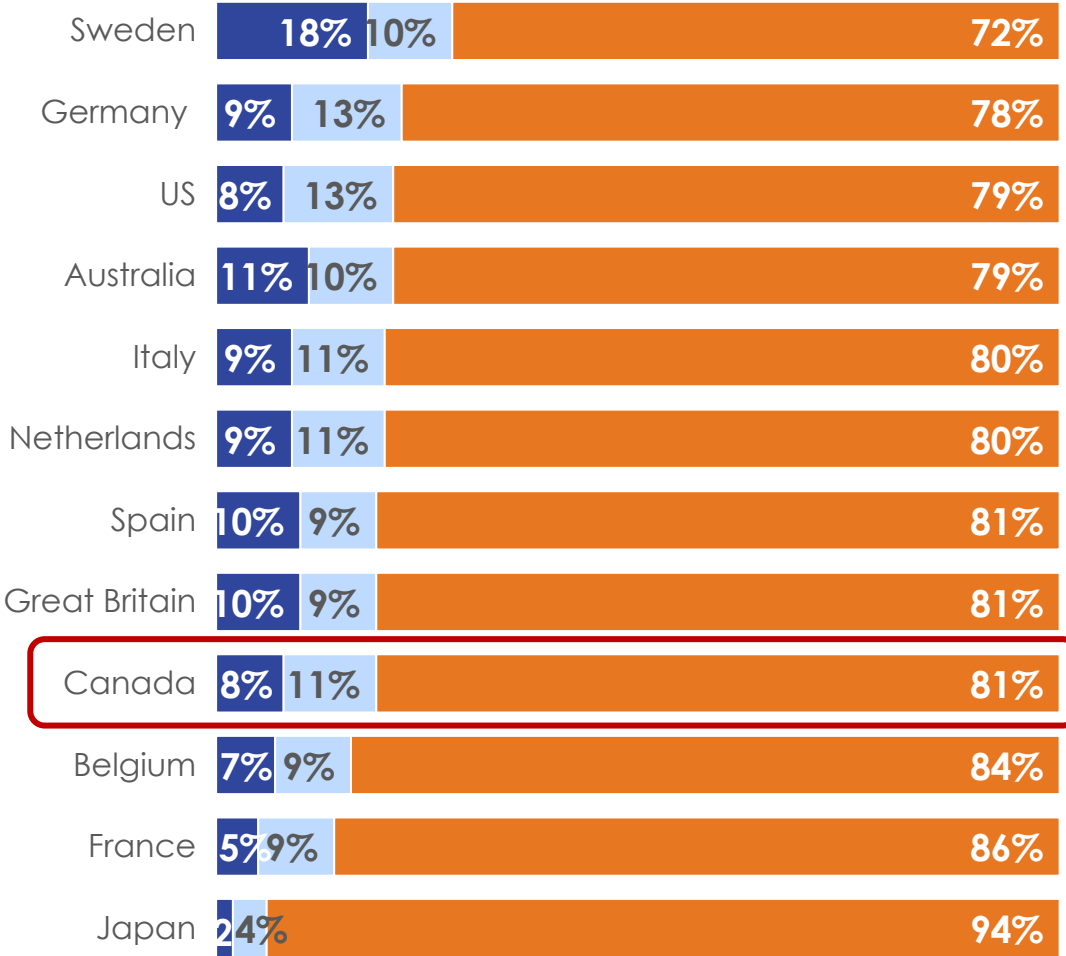
*Note: These samples are more urban and have higher education/income levels than the general population.

Activated – Social Investing

Similarly, Canada is near the bottom of the list among developed countries in the proportion of those making socially conscious investments.

IPSOS SOCIAL INVESTING INDEX

■ HIGH ■ MODERATE ■ LOW



Social Investing – made or changed an investment based on environment, social, or ethical concerns.

*Note: These samples are more urban and have higher education/income levels than the general population.



Activated – Reasons for Social Purchasing & Investing

No single cause area disproportionately drives socially conscious purchasing or investing in Canada.

Data suggests brands are free to champion issues that are in line with their brand purpose/narrative and where consumers feel the organization has a right to play, versus force fitting a strategy into a popular or topical issue.

SOCIAL PURCHASING DONE IN PAST YEAR RE ...

Environmental Concerns

17%



Social Concerns

21%



Ethical Concerns

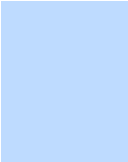
20%



SOCIAL INVESTING DONE IN PAST YEAR RE ...

Environmental Concerns

10%



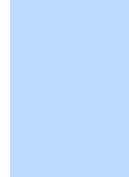
Social Concerns

10%



Ethical Concerns

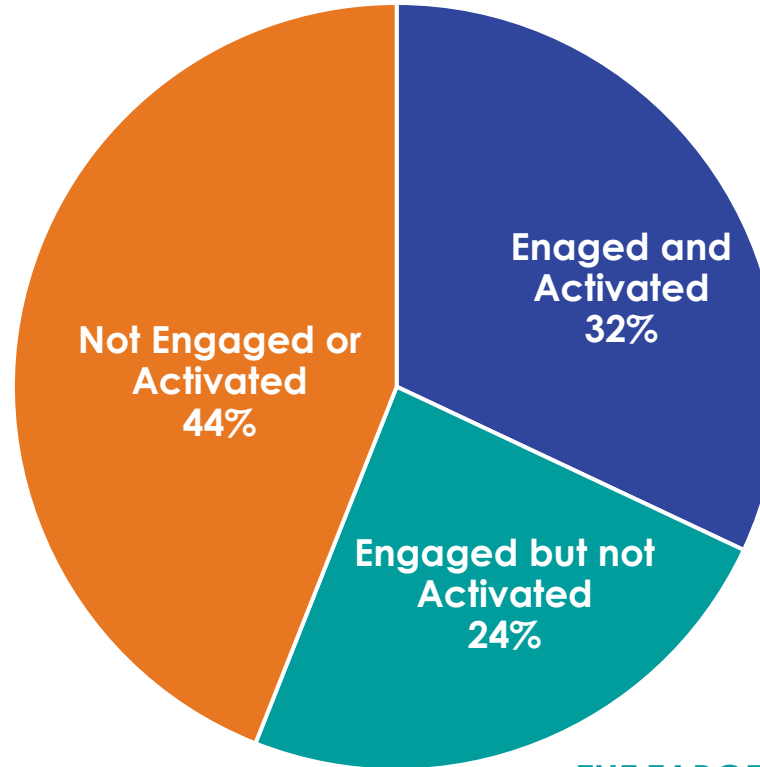
11%



IDENTIFYING THE NEXT WAVE OF ACTIVATED

Convertibles – closing the “say-do” gap

THE TOUGHEST SELL – Canadians who are currently not engaged and not making purchase/investment decisions based on social issues.



THE TARGET FOR SUSTAINING – Already Converted Canadians who are engaged and making socially conscious purchases/investments.

THE TARGET FOR GROWTH – Convertible Canadians who are engaged in socio-political issues, but have not acted (yet) with their purchases or investments

Convertible - by Country

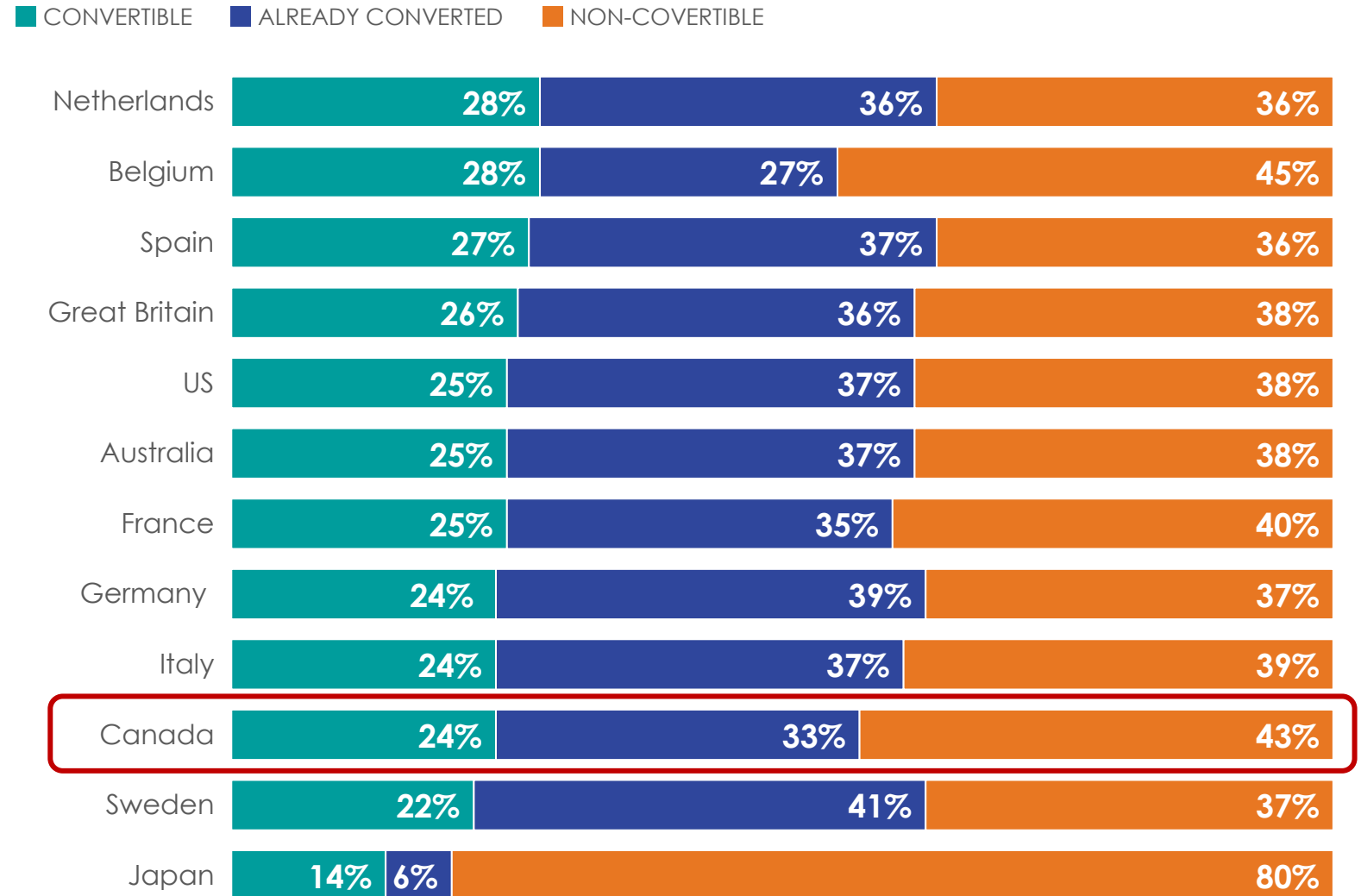
Canada ranks down the list among the developed countries reported in terms of the proportion of convertibles, although the differences are marginal.

Convertible = % who are active in society but not yet socially conscious purchasers or investors.

Already converted = % who are active in society and are already making socially conscious purchases or investments.

Non-Convertible = % not active in society and not making socially conscious purchases or investments.

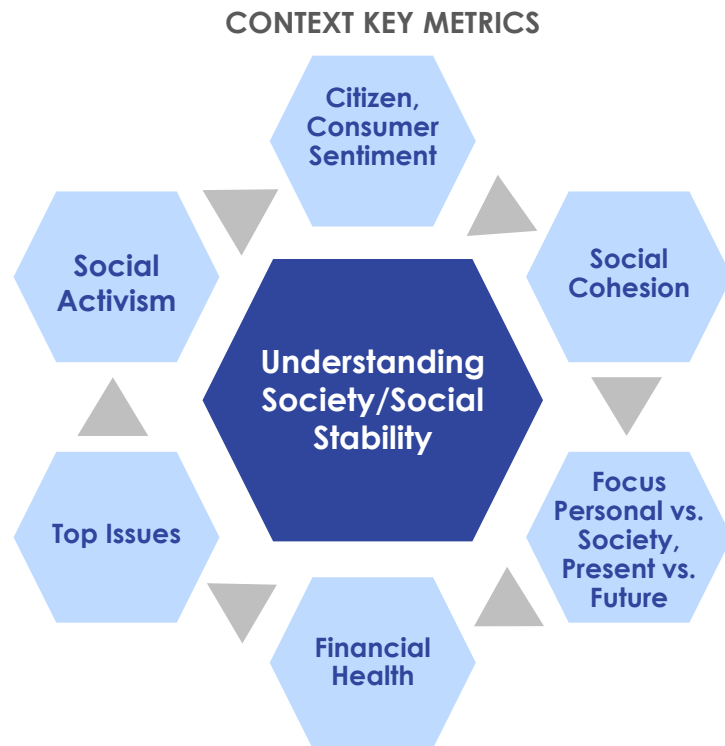
CONVERTIBLE BY COUNTRY



Note: These samples are more urban and have higher education/income levels than the general population.

Methodology

The survey was conducted in 32 countries via the Ipsos online panel system between August 26 and September 9, 2022. The social purchasing and social investing questions are a regular part of Ipsos' Context offer, which is a monthly monitoring of citizen/consumer sentiment.



Interviews were conducted with approximately 25,000 adults aged 18-74 in Canada, the US, South Africa, Malaysia and Turkey and 16-74 in all other countries.

The sample consists of approximately 1,000 individuals in Australia, Belgium, Brazil, Canada, mainland China, France, Germany, Great Britain, Italy, Japan, Spain, and the US, and 500 individuals in the remaining countries (we have suspended interviewing in Russia for the time being).

The samples in Argentina, Australia, Belgium, Canada, France, Germany, Great Britain, Hungary, Italy, Japan, the Netherlands, Poland, South Korea, Spain, Sweden, and the US can be taken as representative of their general adult population under the age of 75.

The samples in Brazil, Chile, mainland China, Colombia, India, Malaysia, Mexico, Peru, South Africa, Ireland, Indonesia, Thailand, Saudi Arabia, Singapore, Turkey and the UAE are more urban, more educated, and/or more affluent than the general population. The survey results for these countries should be viewed as reflecting the views of the more connected segment of their population.

The data is weighted so that each country's sample composition best reflects the demographic profile of the adult population according to the most recent census data.

Where results do not sum to 100% or the 'difference' appears to be $\pm 1\%$ more/less than the actual, this may be due to rounding, multiple responses, or the exclusion of "don't know" or not stated responses.

The precision of Ipsos online polls is calculated using a credibility interval with a poll of 1,000 accurate to ± 3.5 percentage points and of 500 accurate to ± 5.0 percentage points. For more information on Ipsos' use of credibility intervals, please visit the Ipsos website. The publication of these findings abides by local rules and regulations.

For more information or a copy of the detailed report please contact us.

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