

How carbon neutral ecommerce affects customers and their brand experience

UNITED KINGDOM, June 16, 2022 /EINPresswire.com/ -- There's growing awareness that packaging, transport and delivery all add to the environmental impact of our online purchases, so the concept of carbon neutral ecommerce is becoming an important one.

We all learnt to take advantage of digital channels to buy everything from groceries to high-value business equipment during the pandemic.



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However, the transport network is under pressure and with limited capacity, increasing fuel costs, and global warming, ecommerce businesses and logistics companies are recognizing the need to change.

Customers are also looking for more environmentally friendly options when they make their choices. A survey in North America, Europe and Asia found that almost three quarters of customers want to buy products with greener credentials, including product design and packaging.

Sustainable ecommerce issues

Ecommerce companies that embrace these challenges will enhance their reputations and will also be in a good position to respond to new regulations to mitigate climate change.

Delivery – carbon emissions fall in to the category known as Scope 3, which means they are due to assets that can't be controlled directly like third party logistic (3PL) providers. Many ecommerce organizations are now looking at their overall supply chain to gain a better understanding of their greenhouse gas (GHG) emissions.

Last-mile deliveries are probably the most energy-intensive part of the carbon footprint for ecommerce businesses. Demand is expected to grow by almost 80% by 2030. Without significant

action carbon emissions in urban centres will increase dramatically.

Packaging – to make sure products arrive undamaged their packaging must meet demanding standards, which is why the ecommerce sector uses so much more packaging compared to bricks-and-mortar stores. Many ecommerce businesses now recognize the cost and environmental benefits of reducing and simplifying their packaging. However, the use of single-use materials such as plastics is still expected to grow in the coming years.

Returns – this is effectively doubling carbon emissions when products are returned. With one in five purchases being sent back around the world this represents a big opportunity for reducing the carbon footprint. Another thing to consider is reducing the number of products that can't be resold and wasted packaging that might otherwise be sent to landfill sites.

Sustainable ecommerce solutions

There isn't a single solution that will suit every type of ecommerce business, but here are some important options to consider that can underpin the carbon neutral story and support the reputation of an environmentally responsible organization.

Prioritization – the first step is to measure as much overall value chain as possible to identify the biggest causes of emissions. Understanding as much as possible about your carbon footprint will help identify the best opportunities to make operations more sustainable. Importantly, once there is a reliable baseline for the emissions, it will be possible to report improvements to customers and stakeholders to show that protecting the environments taken seriously.

Shipping – expectations for fast deliveries are very high, even when products come from the other side of the world. Worldwide freight transport accounts for more than 10% of carbon emissions. While shipping companies are introducing alternative fuels and sustainable infrastructures to reduce their impact this will take years to implement. In the meantime, making customers aware of the number of product miles traveled will add to the transparency of operations.

Reduced packaging – many businesses use standard boxes to ship all their items and fill any additional space with extra packaging. Smaller boxes help to minimize packaging and save on the space needed for transport. Since packaging represents almost a third of the carbon footprint of ecommerce operations, there is scope for fast and practical solutions that will resonate with the customers.

Cardboard character

Energy efficiency – energy use in the offices and warehouses can be a large cost to businesses so, in addition to reducing the carbon footprint, it can also improve overall efficiency. Choosing a renewable energy provider and installing low energy lighting, automating temperature controls

in offices, and making sure equipment isn't left on standby could all make a significant difference.

Reducing returns – free returns are a double-edged sword. While policy might improve customer satisfaction it will add significant costs to operations and increase the carbon footprint. US returns alone generate 15 million tonnes of CO2 emissions and 2million tonnes of landfill waste every year. Making sure product descriptions are accurate and providing useful information to help customers make their choices such as frequently asked questions will allow for reduced returns.

Reuse – another option worth considering is product reuse. Organizations such as Patagonia give their products a second life by adopting a circular economy model to extend their product life cycles, reduce waste, and to close the loop in supply chains. If adopted across key sectors, this approach could save 3.7 billion tonnes of CO2 emissions in 2050.

Compensation – while technology is developing rapidly to reduce carbon emissions in the future, in some cases there aren't yet viable options for many situations. Carbon offsetting allows businesses to compensate for emissions that can't be avoided for the time being. This could include support for projects that will be popular with customers such as protecting rainforests or supporting renewable energy solutions around the world. Ecommerce platforms like Etsy have already made this commitment.

Start your carbon neutral ecommerce journey

<u>Williams Commerce</u> has worked with all types of ecommerce businesses around the world. With an ecommerce solution that's fully integrated with your business systems you can monitor, analyse, manage and reduce carbon emissions throughout your value chain and share your results with your customers and stakeholders.

Speak with one of our experts to find out how we can help.

Sarah Leeger Williams Commerce email us here

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