

Consumer-Driven De-Growth Trends: A Call for Marketing Paradigm Shift?

18 November 2022



Dr Svetlana De Vos, Senior Lecturer, Australian Institute of Business

Dr Bora Qesja, Senior Lecturer, Australian Institute of Business

De-growth is an alternative proposition for a marketing paradigm shift with potential to inspire the drastic set of transformations required to avert catastrophic climate change and limit the global temperature increase in this century to 2°C as pledged in the [Paris Agreement](#). Despite being considered as a [controversial approach](#) by many, the real goal of de-growth is not reducing growth, but rather promoting the type of growth which helps the environment.

Overall, [de-growth](#) implies reshuffling competitive dynamics within and across industries, offering new bases for competitive advantage. According to [Roulet and Bothello \(2020\)](#), de-growth shouldn't scare businesses. They argue that businesses that successfully embrace de-growth will sell better and grow in a way that satisfies consumers while respecting the environment, hence emerging as more resilient and adaptable business entities. These authors maintain that companies at the forefront of the current de-growth movement:

- Pursue **de-growth-adapted product design**, involving the creation of products that have longer lifespans, are modular, or are locally produced (i.e., [30 Year Sweatshirt](#); [Fair-phone](#); [Kathmandu biodegradable jacket](#)).
- Engage in **value-chain repositioning**, where they exit from certain stages of the value chain and delegate some tasks to stakeholders (i.e., [Lego](#), [Local Motors](#))
- Lead through **de-growth-oriented standard setting** for the rest of the industry to follow (i.e., [H&M](#), [Walmart](#), and [Nike](#) solicited advice from Patagonia as a de-growth trend setter in retail sector; [Tesla](#) catalysed the diffusion of electric vehicles by standardising a practice/technological platform across industry).

As we continue to grapple with climate change, we can expect consumers to increasingly drive de-growth by changing their consumption patterns. Despite the fact that the de-growth concept remains [unthinkable](#) for some business leaders, academics and politicians, the emergence of a consumer-driven de-growth movement can be witnessed at a grassroots level ([Roulet and Bothello, 2020](#)) with *Climate*

Changers consumer trend predicted to continue evolving into one of the top global consumer groups ([Euromonitor, 2022](#)). This climate action is an extension of *Build Back Better* consumer trend of 2021 ([Euromonitor 2021](#)), with COVID-19 being a catalyst in the transition towards a net-zero economy. The strategies outlined above illustrate potential ways that firms can adapt to consumer-driven de-growth, pursuing more than one strategy (or all three) simultaneously ([Roulet and Bothello, 2020](#)).

Consumer-driven de-growth movement and industry response: tourism and travel industries

Climate Changers are predicted to scale up on more sustainable choices in their purchasing journeys, whilst demanding action and transparency from brands ([Euromonitor, 2022](#)). For example, the “flight shaming” movement (“*Flygskam*” in Swedish) has had early successes in reducing pollution: 10 Swedish airports have reported considerable declines in passenger traffic over the past year, which they attribute directly to a de-growth movement. Higgins-Desbiolles & Everingham (2022) advocate for de-growth in tourism, emphasising an important role that travellers can play in protecting the balance of the natural world. Furthermore, with 72% of global travellers in 2022 believing that sustainable travel is important (Linney Report), the aviation industry has been attempting to scale up de-growth adapted products such as [sustainable aviation fuels \(SAFs\) which make up only 6% of global aircraft fuel in 2022](#), yet predicted to expand dramatically. For example, [the Jet Zero Council](#), a partnership between the UK government and the aviation industry believes that this product will make up 83% of global jet fuels by 2030.

With the strong potential to appeal to the *Climate Changers*, [SAFs](#), made from waste produced by the food industry, aim to reduce emissions by more than 70% and can be used in existing planes. A similar de-growth-adapted convivial technology of [synthetic fuels \(or “e-Fuels”\)](#) is expected to transform 40 million tons of CO₂ into renewable fuels by 2040, prompting a more sustainable travel as demanded by the de-growth consumer movement. For example, direct air capture technology developed by the Swiss company [Climeworks](#) together the Oslo-based company Norsk e-Fuel aims to open the world’s first [e Fuel industrial plant Herøya, Norway, in 2023](#), producing 10 million litres of e-Fuel per year for the Norwegian and European markets. The next step in 2026 would be a plant capable of 100 million litres a year with further plans for a global expansion.

Evolving consumer trends: Apparel and Fashion industries

Eco-anxiety is expected to continue driving environmental activism and purchasing decisions in the years to come ([Euromonitor, 2022](#)), with implications for the apparel and fashion industry ([McKinsey, 2022](#)) as consumers voice growing criticism of the ecological impact of clothing. **Second-hand, re-commerce and peer-to-peer marketplaces** have been predicted to inevitably improve sustainable production, consumption, and brand reputation. The latter is particularly meaningful for the consumer global trend identified as the *Pursuit of Preloved* by [Euromonitor International](#) ([Angus and Westbrook, 2022](#)).

Sustainability and individuality will continue to remove the stigma associated with second-hand shopping and drive peer-to-peer commerce in the future. Re-commerce will become increasingly prevalent and is predicted to cover more categories (e.g. durable goods). Additionally, companies need to reuse or recycle materials for new product development and to reduce waste ([Euromonitor International 2022](#)). That’s why the [United Nations Fashion Industry Charter For Climate Action](#) – originally signed by 130 fashion brands, including the likes of Burberry, Chanel and Gucci, is ramping up its efforts to reduce fashion’s environmental impacts, with brands now committing to halving greenhouse gas emissions by 2030 (compared to the previous target of 30 per cent). This is an initiative that sets out a roadmap to reduce emissions in line with the Paris Agreement.

Overall, *Pursuit of Preloved* will inevitably improve sustainable production and consumption and brand reputation as a result. Accounts such as these indicate how consumers are increasingly becoming conscious of the negative consequences of consumerism and are seeking to change their habits with **regenerative fashion** predicted to gain momentum in the future ([McKinsey, 2022](#)). “De-growth is exciting because it opens up a plurality of fashion actions and expression,” says [Professor Fletcher \(University of the Arts London\)](#), citing regenerative agriculture, repairs, recycling, upcycling and localism among other things. The idea of [regenerative fashion](#) – which restores and renews natural ecosystems – will continue to take hold, as brands look at how they can have a positive effect on the planet.

A key part of this is looking at how materials are sourced, and whether regenerative techniques are being used to produce fibres used in the industry, such as cotton and wool. For example, the [Charter](#) has also set a new target for 100 per cent of “priority” materials – such as cotton, viscose, polyester, wool, and leather – to be low climate impact by 2030. The agreement specifically points to materials that can be recycled in a closed loop, and are deforestation-free, conversion-free (meaning natural ecosystems are not destroyed in the process) and produced using regenerative practices. [Multiple brands have embraced regenerative fashion](#), which has now become part of their positioning, with some examples including [Coyuchi](#) (one of the pioneers of [Climate Beneficial™ Wool](#) used to create gloves, scarves, blankets etc.), [The North Face](#) (created a collection called ‘Cali Wool’ where all clothing items are produced with [Climate Beneficial™ Wool](#)).

Another example is a brand [Dinadi](#), (Nepal) that produces regenerative yak wool clothing and accessories cultivated by local nomadic tribes and crafted by artisans working in flexible work environment; or [Beyond Buckskin](#) brand (Canada) that produce ‘gentle on the earth’, handmade, traditional regenerated bison leather collections.

A regenerative organic cotton brand, [Oshadi Studio](#) (India), has created a “seed-to-sew” initiative called Oshadi Collective, inclusive of farmers and artisans, who collaborated to establish a regenerative supply chain to create this organic cotton collection. Oshadi also produces regenerative organic cotton for [Christy Dawn](#) and [Story MFG](#), amongst others. [Christy Dawn](#) (LA-based brand) works on transitioning their existing farm into a regenerative cotton farm that will be used to create dresses. A certification for regenerative products (Regenerative organic certified-ROC), aimed at allowing consumers to recognize these products, is already in a pilot program.

Emerging consumer trends impacting Food Industry

Based on the principles of circular bio-economy, [Hoehn et al. \(2021\)](#) suggested a de-growth need of 58.9% in 2040 in order to achieve compliance with the [Paris Agreement](#) targets, highlighting the reduction of meat and fish and seafood consumption as the most useful path. The number of people eating less meat or giving it up altogether has been rising exponentially in recent years, with [Millennials](#) driving the worldwide shift away from meat consumption. Meanwhile, reduced meat consumption has been accompanied by an explosion in meat substitutes that produce one-tenth of the greenhouse gases compared to the real meat.

In particular, the [plant-based food market](#) is expected to grow at a compound annual growth rate of 11.9% from 2020 to 2027, reaching \$74.2 billion by 2027. Changing consumer behavior and interest in alternative-protein sources, due in part to health and environmental concerns as well as animal welfare, have made way for [growth in the alternative-proteins market](#). For example, the Chilean-based company [NotCo](#), which uses an artificial intelligence program called Giuseppe to make plant-based milk and meat products by analysing thousands of plants in its database to come up with unique combinations that “replicate animal-based products almost to perfection.” In Latin America, NotCo has become the fastest-growing food tech company, selling [NotMilk™](#), [NotBurger™](#), [NotMeat™](#), [NotIceCream™](#) and [NotMayo™](#) products in more than 6,000 retailers globally.

Although some leading alternative protein companies such as [Beyond Meat and Impossible Foods](#), have recently struggled with plummeting sales due to consumers perceptions of having a ‘woke’ image and steep price, the overall demand for meat alternative market is projected to grow at a CAGR of 33.6% between 2022 and 2032, totalling around [US\\$ 235 billion by 2032](#). The increasing number of [vegans and flexitarians](#) is another factor that is anticipated to fuel the alternative meat market’s growth to be dominated by the product types such as [seitan or wheat gluten, tofu, tempeh, quorn, risofu, algae, mycoprotein, insects, textured vegetable protein, fermented proteins, fish protein, cultured or ‘clean’ meat, Yaso, Nato and Miso](#).

Moreover, consumers increasingly expect food manufacturers to provide [transparency](#) around environmental impact (i.e. sustainable packaging; greenhouse gas emissions during production; water consumption; food waste). Similar to regenerative fashion, regenerative agriculture is emerging. Worth noting is the [Land to Market](#), the world’s first outcomes-based verified regenerative sourcing solution for raw materials such as meat, leather, dairy and wool. [Land to Market works with brands around the world to heal the planet by regenerating grassland](#). The Land to Market verification seal on products conveys that the product is verified as regenerating. Because the industry is heavily influenced by consumer behaviors such as increased demands for food transparency, businesses that fail to educate themselves on these trends may trail their competitors.

Marketing paradigm shift

Building a socially just and ecologically resilient post-growth society is one of the most complex and pressing challenges facing humanity ([Lloveras, Marshall, Vandeventer, & Pansera, 2022](#)). As the environmental and social justice principles associated with de-growth become integral to the functioning of new system configurations, then those same principles should automatically be enshrined at the core of any marketing practices in the future. Engaged marketing scholars should thus work towards a future in which the type of marketing emphasised is one that is coherent with the deep transformations embedded in the de-growth paradigm.



Dr. Svetlana De Vos

Senior Lecturer, Australian Institute of Business

Experienced Senior Lecturer in Marketing with a demonstrated history of working in the higher education industry. Skilled in Marketing Management, Analytical Skills, Advertising, and Integrated Marketing. Strong research professional with a Doctor of Philosophy (Ph.D.) focused in Business/Marketing Research; Dean’s Commendation Award for Doctoral Thesis Excellence from University of Adelaide.



Bora Qesja

Senior Lecturer, Australian Institute of Business

Bora has over ten years of experience working in academia and industry. Bora obtained her PhD from the University of Adelaide, Australia (where she taught for five years) funded by the ARC Training Centre for Innovative Wine Production, graduated with honours from a MSc in Luxury Goods and Services from the International University of Monaco (Monaco), and has a BS in Bioinformatics from Jacobs University (Germany) which equipped her with strong analytical skills. Dr. Qesja continues her

engagement with the industry as a consultant, with the latest project ('Riverland on the Verge') resulting in a permanent Virtual Reality fixture (for promoting the tourism of the Riverland Wine Region) in both the National Wine Centre (Adelaide) and Riverland Wine Centre.