



Credibility Tech: How to Leverage Rising Consumer Expectations for Ethical Procurement

Consumers today demand transparency. They want to know more about the things they buy, where their money is going, and whether companies they support share their values.

According to SAP Ariba's Multi-Country Consumer Study, consumers are 65 percent more likely to be loyal to a brand they know comes from a company that adheres to the United Nations' Sustainable Development Goals. In order to support sustainable organizations, consumers need transparency – and that transparency is made possible through advanced technology.

Data documents accountability

New technologies allow companies and consumers to track and authenticate products like never before. This visibility assures consumers that organizations are prioritizing suppliers who align with their company values; consumers, in turn, can “vote with their wallets” by choosing which businesses – and whose business practices – they support.

For example, the philanthropy landscape can be particularly murky. From “administrative costs” to unclear processes, it can be difficult for the public to make sense of how their donations are being used. Foundations that accept cryptocurrencies are able to track donations through a publicly available database of transactions to ensure transparency.¹ Distributed ledger technology provides donors a secure way to give, and a way to see where their money is going.

Demand among millennials

The demand for products that result from a responsible supply chain is particularly evident among younger consumers. Millennials (defined in this survey as people between the ages of 25 and 34) are considered less likely to be brand loyal than previous generations; yet 67 percent in this age group said they would be more loyal to a brand that adheres to the UN’s Sustainable Development Goals.

Millennials are also the largest living generation. They’re transitioning into their prime spending years, so their habits are quickly shaping the economy and driving consumer demand. It would benefit companies to pay attention to these powerful spenders, develop strategies to engage with this age group, and respond in kind to their interests.

Accountability increases value

According to the results of the study, the way to take advantage of these emerging consumer behaviors is through transparency. As well, 48 percent of consumers would pay a premium for products that come from a supply chain they believe is well managed. Brand loyalists are also more likely to recommend products to others and spread the word about a brand when they feel confident about the company’s ethics in regard to sourcing and production.

Whether it’s tracking charitable donations or a product through the supply chain, technology increases visibility, enabling greater transparency, agility, and purpose. Handled appropriately, that is a win-win-win proposition for communities, consumers, and businesses alike.

1. <https://medium.com/@pauljlamb/crypto-philanthropy-how-bit-coin-and-blockchain-are-disrupting-the-philanthropic-sector-80716dc7cb68>