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Consumer Products

Segment Burst

Volume 2

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FMCG and circular economy in Europe

A circular business model is key to sustainable production. Today, in a take-make-waste economy, [€2.4 trillion](#) worth of material in FMCG is thrown away every year. In a circular economy, a product's life is extended through the four Rs: repair, resale, refurbish, and recycle.

The proportion of sustainably produced consumer goods is expected to rise from 10% to 25–35% by 2030, resulting in a [€400–650](#) billion annual opportunity for European firms. In less than a decade, recycled and sustainably produced goods are expected to generate [€85–140](#) billion annual value in FMCG and [€45–110](#) billion in fashion.

The growth of circular business models in the consumer goods segment will be largely motivated by changing customer values. Approximately [40%](#) of

Europeans find sustainability “highly important” when making buying decisions and [50%](#) of consumers in France, Germany, and the UK have purchased preowned items. As one of the most environmentally conscious generations, [Gen Z](#) is expected to further drive circular economy models across the globe.

Fuelled by EU legislation, the region's transition into circular value pools can drive European companies' employer branding and ESG efforts. All firms that pursue ESG excellence should embed sustainability into their hiring strategies.

An authentic, results-driven, and clearly communicated focus on sustainability can attract workers, boost employee engagement, and improve retention. Today's employees are willing to stay longer with a company that shares their values and gives them a sense of purpose.



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New in-store fulfilment models

With e-commerce shopping having a [30%](#) higher penetration rate than pre-Covid, customers' tolerance for deliveries longer than [2-3 days](#) has significantly decreased. To accommodate these changing needs, retail companies are now moving away from distribution centres and towards more flexible models.

[Research](#) shows that distribution centres are being replaced by in-store fulfilment options that allow for faster shipping from more convenient locations. These can include:

- Transforming part of the selling space into manual packing and shipping rooms
- Designating store associates to fulfil online orders by picking products from the sales floor and preparing them for shipping in the back room
- Creating automated mini-distribution centres for frequently purchased items

The possibilities are plentiful, but what do these changes mean for retail hiring?

To bid the old distribution centre goodbye, retail companies will have to be prepared to add seasonal and temp workers with relevant automation and fulfilment experience whenever the need arises. At the same time, launching in-store fulfilment models will require upskilling the existing workforce to help them embrace their new, multifaceted roles.

Within the in-store fulfilment model, employees can use and develop both their inventory packing and customer service skills. Diversifying competencies allows retail employees to enhance their professional growth significantly and become more competitive for future roles.

Since hiring for seasonal needs remains an industry challenge, talent providers who deliver low-cost solutions during short seasonal windows will continue to be a valuable addition to your business.

Interested in learning more about cost-efficient, high-impact seasonal hiring? Read our [case study](#) about how Pontoon helped a global food and beverage client with seasonal hiring in a rural market.

Diversity hiring in the fashion industry

Despite consumers' rising social awareness and marketing campaigns that underscore diversity and inclusion, the European fashion industry remains predominantly male and white. In Europe, persons of colour make up less than [10%](#) of employees at the board level – and women comprise less than [40%](#).

Even though half of European companies have diversity and inclusion strategies, the 2022 British Fashion Council's [report](#) estimates that [42%](#) of over 100 fashion companies in Europe do not collect data on diversity and [29%](#) have insufficient data. Very few companies have representation targets and DE&I budgets.

In the US, last year's report by the Council of Fashion Designers in America revealed that [half](#) of employees of colour believe that the industry is not equally accessible for all qualified candidates. Almost a [quarter](#) of Black employees do not consider the hiring criteria fair and objective.

To change this status quo, fashion companies need to adapt their hiring strategies to accommodate gender diversity and ethnic diversity targets.

Additional solutions include:

- Allocating resources to developing DE&I departments
- Donating to non-profit organisations that support local communities
- Conducting surveys among employees and network groups
- Investing in analytics tools and experts that can facilitate collecting, analysing, and reacting to data on diversity
- Partnering with an experienced talent provider

“People want to work with a company that cares for its people – where they have shared values and impact the world in a bigger way.

Creating pathways to socially responsible behaviour will attract talent and open the door for internal career development, social change, and empowered workers loyal to your brand.”

– **Kelsey Williams**
Senior Programme Director
Pontoon Solutions

Read more about [social responsibility is a talent engagement strategy](#).