Driving Sustainable Online Retail: Impact of Amazon's Climate Pledge Friendly Label on Sales

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Abstract:

E-commerce platforms increasingly use sustainability labels to guide consumer choices, yet their impact across product categories and over time remains underexplored. Analyzing 43,614 products in 21 categories on Amazon Marketplace US, we examine the sales effects of Amazon's "Climate Pledge Friendly" label using an event study design. The label significantly boosts sales in gentleness-attributed (vs. strength-related) categories, with pronounced effects emerging directly or up to three weeks post-introduction. Our research extends sustainability label research by addressing the growing case of platform-provided labels and showing that product category and price drive sustainability labels' effectiveness, which evolves after the label introduction. Our study provides guidance for platforms, retailers, and brands, showing that platform-provided sustainability labels can facilitate sustainable consumption in retail environments and contribute to more sustainable online marketplaces.

Keywords: sustainability labels, consumer behavior, e-commerce

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