



Going green

More consumers who are seeking sustainable packaging to go with their 'clean' lifestyles are creating a potentially potent market for eco-friendly store brands

Packaging is playing an increasingly pivotal role in consumers' purchasing decisions. Along with studying the ingredients in food and beverages before committing to an item, a large base of wellness-oriented shoppers is extending their focus to packaging as they seek alternatives that also have a positive impact on their health and the environment, analysts state.

"In addition to desiring cleaner processing of products, consumers want packaging that does not leave undesirable chemicals in what they eat and drink," says Linda Gilbert, founder and CEO of EcoFocus Worldwide LLC, a Lancaster, Pa.-based marketing research and consulting firm that specializes in health and sustainability.

A 2017 EcoFocus survey found that 75 percent of shoppers say that packaging that keeps healthy beverages fresh without preservatives is either important or extremely important, up from 73 percent in 2015; and 65 percent indicate that it

is very or extremely important that packaging is labeled "recyclable," up from 60 percent in 2013.

In addition, 70 percent of consumers say they try to buy products in packaging that is recyclable, up from 67 percent in 2013; and 52 percent state they always think about the environmental impact of the packaging before purchasing products, an increase from 45 percent in 2013.

The 4,000 survey respondents were grocery shoppers between 18 and 65 years of age who shop regularly for their households.

"Consumers are saying that they want to do business with companies that are taking stands," Gilbert notes. "Retailers have tremendous opportunities to increase sales of private brands by incorporating the sustainable value into their own strategies."

By
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Create a positive perception

Because 73 percent of grocery shoppers say they are influenced by companies that are committed to

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only using packaging that is made with recyclable materials, up from 68 percent in 2013, and 72 percent indicate it is important for operators to only use packaging made with renewable materials, an increase from 69 percent in 2015, retailers who embrace sustainability can create a positive halo for all of their private offerings, Gilbert states.

“Many consumers believe retailers have the responsibility to make their store brands the flagship for health and sustainability,” she notes.

It is essential, however, that retailers publicize their use of sustainable packaging on product labels and in-store signage to raise shopper awareness, says Marny Bielefeldt, vice president of marketing for Alpha Packaging, a St. Louis-based manufacturer of sustainable plastic bottles and jars.

Messaging can include such descriptors as “recycled plastic” and “plant-based plastic,” she says, while Gilbert notes that terms like “eco-friendly,” “environmentally friendly” or “environmentally responsible” also are powerful designations, particularly because most consumers typically don’t use the word “sustainable.”

“Messages are going to fall flat if shoppers don’t understand why sustainable packaging is beneficial,” Bielefeldt states.

Indeed, educating consumers about the benefits of sustainable packaging is essential if they are to embrace the concept, says Erin Reynolds, marketing director at Evergreen Packaging, a Memphis-based supplier of paper and paperboard containers.

“Packaging suppliers have to align with evolving consumer priorities and communicate their commitments to meeting those needs,” she states. “Recyclability is already important and having renewable materials in packages is becoming more of a priority.”

Shoppers, meanwhile, also are partial to where sustainable data should be on a package.

In a March 2017 online survey of 1,938 adult grocery shoppers, 28 percent of respondents ages 18 to 34 indicated that they would be interested in food packaging

with instructions for exactly how to recycle it, reports Mintel, a global market research firm, in its June “Food Packaging Trends — US” report.

Expressing similar interest were 19 percent of respondents between 35 and 54 and 18 percent of persons 55 and up.

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Linda Gilbert,
founder and CEO, EcoFocus Worldwide LLC

In addition, 58 percent of respondents noted that they prefer information on how to dispose of or recycle packages to be on the back of the package, while 14 percent favor the front.

Forty-five percent of persons also indicated that they prefer environmental sustainability claims to be on the back of food packaging while 28 percent chose the front.

“A challenge is that many shoppers don’t know what is recyclable,” Gilbert notes. “The industry needs to do a better job of identifying the packages that are sustainable.”

In addition to information on packages, retailers also can provide easy access to sustainable packaging data by displaying smart phone-readable QR codes on packages, says Nina Happonen, vice president of sales/Americas for Metsä Group, a Helsinki, Finland-based provider of renewable products.

Cost a consideration

Sustainable packaging typically is about 10 percent costlier to produce than conventional options because of higher prices for renewable resins; a more elaborate manufacturing process; and the need to sanitize equipment when switching between conventional and sustainable production, Bielefeldt states.

While Happonen notes the production expenditures “can be very modest” when developing sustainable packaging from scratch, expenses rise when suppliers have to replace existing elements of conventional packages with sustainable alternatives, such as supplanting a plastic interior with a fiber mold or bio-plastics.

“Sustainable packaging should combine the use of renewable materials, create possibilities for easy recycling, be biodegradable where needed and protect the product from damage,” she states.

Many consumers with interest in sustainable packaging, however, are still reluctant to pay more for it, EcoFocus research reveals. Only 50 percent of consumers say eco-friendly products are worth an additional expense. However, that number is up from 36 percent in 2010.

“A large number of shoppers wonder why something sustainable or made with renewable materials does not cost less than conventional items,” Gilbert says. “It doesn’t make sense to them. There also is a lot of frustration from consumers because so much packaging is plastic and not all



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plastic is recyclable. They want there to be better alternatives.”

Newer manufacturing technologies and techniques, meanwhile, are helping to lower the cost of producing sustainable packaging.

More suppliers, for instance, are able to maintain package strength and functionality while using fewer raw materials, analysts note, while the lighter weight of packaging is resulting in decreasing costs to transport the items.

Glass packaging, which is 100 percent recyclable, is among the packaging options becoming increasingly lighter. And to add to its allure, it is becoming available in more colors, shapes and designs, says Gina Behrman, director of marketing and communications, glass/North America for Luxembourg-based packaging supplier Ardagh Group.

Leveraging more distinctive sustainable packaging will better enable retailers to differentiate their private brands from the national selections, she states, adding that “there is an evolution in product development and innovation along with demands by brands for products to stand out on shelves.”

A cleaner future

The use of sustainable store brand packaging, meanwhile, will likely increase over the next several years as millennials and other younger shoppers who tend to be more eco-focused give

greater scrutiny to the materials in containers, Gilbert says.

“There will be game-changing innovations with packaging, and the players that invest in those will win when they go to market,” she states. “Consumers, especially those under 35, will reward those companies that they see doing good and penalize those that don’t.”

As a result, retailers should “celebrate” their use of sustainable elements in store brands and boldly promote the features, Gilbert states.

Many consumers, for instance, complain that the recyclable logo on cans is often too small to notice, EcoFocus research found.

“Why doesn’t it say ‘recycle me’ on the top of the can?” Gilbert states. “Merchandisers have to make messaging more prominent and celebrate that message. It is something consumers will reward you for.”

Retailers also will reap benefits by using sustainable packaging for all private brands, she notes.

“When people see a store brand, they will then immediately know it has eco-friendly packaging because of the retailer’s commitment to it,” Gilbert says. “Consumers have a choice of where they shop, and they are looking for retailers to help them make the buying decision simpler.” **SB**

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