

ECR Academic Student Award 2019

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Master Thesis

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Title

The Sustainability Movement in FMCG Packaging

A holistic approach to sustainable FMCG packaging regarding consumers' and brands' perspectives.

Objectives

- Brands' perceptions of sustainability in FMCG packaging
- Brand's art of handling barriers and opportunities regarding sustainable FMCG packaging
- Brands' art of communication and education about sustainable FMCG packaging
- Brands' perception of consumers' attitudes and behavior on sustainable FMCG packaging
- Austrian consumers' attitudes, opinions and perceptions of sustainability in FMCG packaging and related purchase behavior

Methodology – Mixed Methods Approach

- ▶ Why a mixed methods approach?
 - ▶ Inclusion of different view points and comparing of outcomes
 - ▶ Broader, holistic picture from consumer & brand perspectives
 - ▶ Better understanding of the topic & overcoming weaknesses of single research methods



Qualitative expert interviews

6 experts, 5 FMCG companies
(REWE, Mars, Meinel, Mondi, oil
company)

Purposive sampling & Mayring content
analysis



Quantitative consumer survey

184 Austrian participants
Convenience sampling & SPSS analysis

Methodology – Research Questions

MRQ: How is the increasing social awareness on plastic packaging pollution impacting consumers and their purchase decisions and brands and their packaging strategies regarding FMCG products?

RQ1: How is sustainability in FMCG packaging perceived by consumers and brands?

RQ2: How do brands approach opportunities and barriers in integrating sustainability in packaging?

RQ3: How do brands approach education and communication to consumers about sustainable packaging?

RQ4: How do brands perceive consumers' views on sustainable packaging and their related purchase decisions?

RQ5: How do consumers react on sustainable packaging options regarding different FMCG product categories?

Key Results

Rising Awareness & Consumer Demand

- Awareness on sustainable packaging is rising steadily
- Consumers are willing to search for and buy sustainable packaging
- Social media & peer groups have heavy influence
 - Problem of misleading & uneducated information
- Consumer demand urges brands and politics to focus on sustainable solutions
 - Before there was no public pressure
- Brands and politics started to develop sustainability directives, strategies and solutions

Consumers' Perspectives on Sustainable Packaging (SP)



The availability of SP in supermarkets is the #1 influencing factor for buying
-more than price, convenience etc.



The most dominant drawback of SP:
not enough offer yet
- not the price



Most consumers cannot identify sustainable packaging
– plastic is bad!

Consumer Reactions on Sustainable Packaging (SP)

- Good unaided awareness of respondents:
 - 95% of consumers could mention about 3 products with sustainable packaging
 - 75% of respondents could mention brands with sustainable packaging
- Highest awareness, most searches and purchases of/for SP is related to carrier bags and fruits/vegetables
- Majority is generally willing to pay (1-10%) more for SP across all FMCG categories
 - Price is no barrier for most (brands think it is)
 - No significant different between FMCG categories

Brands' Perspectives on Sustainable Packaging



Reduce – reuse – recycle



Natural materials where possible
– plastics where necessary



Different solutions lead to
sustainable packaging



Value chain integration is
necessary – circular economy

Brands' Commitments to Sustainable Packaging (SP)

- All brands interviewed committed to sustainable packaging, e.g.:
 - Having only packaging that is 100% reusable, recyclable or compostable by 2025.
 - Packaging is already 90% recyclable & working towards 100% by 2025.
- Brands' sustainable packaging highlights:
 - fully-recyclable flexible pouches
 - bulk dispensing solutions
 - packaging from ecological resources like paper and bioplastics
- Joining initiatives for enhancing sustainable packaging development
 - E.g. the New Plastics Economy, installed by the Ellen MacArthur Foundation
 - joined by major global players of the FMCG industry
 - The goal is to create a circular economy where plastics should never become waste.
- Creating sustainable packaging and a circular economy can be very challenging, frustrating and complex!

Challenges & Opportunities with Sustainable Packaging (SD)

- Sustainable packaging is a **challenge**...
 - as sustainable materials are still more costly, time-intense to research & develop
 - in meeting all benefits of traditional (plastic) packaging
 - especially protection and consumer convenience
 - due to different separation and recycling laws
 - due to lacking education & varying perceptions of different stakeholders regarding SP
- Sustainable packaging is an **opportunity** for
 - contributing to a healthier environment
 - collaboration with different stakeholder for driving innovation
 - engaging with & educating customers and improving brand image
 - developing the company and market further
 - Reducing cost

Approaching Communication & Education

Identify internal & external stakeholders

- especially consumers & employees

Most communication about

- the sustainability of the packaging
- the materials used
- effective separation & disposal

Most used methods

- on-pack information using symbols and descriptions
- online communication (social media, website etc.)
- partnering with retailers

Idea to create harmonized recycling

- Installment of a common industry-wide classification system for on-pack labeling



Sustainable packaging is a shared liability between the industry providing sustainable solutions and consumers buying and disposing packaging responsibly.

Managerial Implications & Recommendations



Start/keep focusing on collaboration with key stakeholder



Joining, e.g. the Ellen MacArthur Foundation or other initiatives to share knowledge and develop sustainable solutions together



Partnering with collecting & recycling facilities for a Circular Economy



Educating and engaging with consumers

Further Research Should Look Into...

- success of new sustainable packaging solutions and consumer education techniques and their impact on consumer behavior, knowledge and brand loyalty
- the readiness, willingness and practicability to use a standardized label for sustainable packaging regarding politics, brands and consumers
- how the new EU directive on single-use plastics drives innovations in packaging, collaboration within the industry and changes marketing and consumer buying behavior

Relevance for ECR / ECR-Members

- The thesis focuses on the ECR topic of circular packaging/sustainability which is important for all FMCG companies
- Marketing/branding and packaging development needs to be aligned at all FMCG related companies to develop future standards in sustainable and circular packaging
- The FMCG industry needs to adapt quickly to consumers' demand for more sustainable packaging and prevent green washing
- Sustainable packaging must be integrated in all parts of the FMCG value chain to create a Circular Economy
- Collaboration in the FMCG industry is vital for creating packaging innovations and a Circular Economy
- Consistency in sustainable materials needs to be implemented and recycling facilities be adapted to new materials to ensure a Circular Economy

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