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**Strategies for successful package
design and marketing**

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Shoppers: Green packaging is a purchase tiebreaker

They're concerned foremost with package appearance and function. If you satisfy these two must-haves, eco-friendly messages are more likely to influence them at shelf.



Brand marketers are focusing a lot of attention on environmentally friendly packaging systems, but in shoppers' eyes, environmental considerations generally are secondary to overall package appearance and functional concerns. Environmental claims about packaging are a tiebreaker for most shoppers when they decide which product to buy, influencing consumer purchase decisions only if quality appearance and functional needs also are met.

Conversely, packaging that looks "cheap" or isn't perceived to adequately protect the product is a deal-breaker for shoppers—and no other marketing claims, including those made about the package's

environmental impact, matter.

These findings result from extensive research conducted over the past two years by Perception Research Services (PRS, www.prresearch.com) to gauge shoppers' perceptions of environmentally friendly packaging. The results were consistently reinforced in numerous subsequent custom studies that PRS conducted on behalf of multiple consumer packaged goods (CPG) companies.

Just as important, these studies also uncovered significant confusion regarding environmental claims about packaging. Industry jargon, such as "sustainability," a term that CPG companies often use in discussing packaging and the environment, confuses consumers. In addition, shoppers often are unclear as to whether the package is better for the environment or if the product itself is more environmentally friendly.

The research uncovered one other important finding. Some shoppers might be willing to pay a premium for packaging that is good for the earth, but shoppers on the whole appear to believe that product manufacturers primarily should bear the higher costs for environmentally friendly packaging.

Overall, the studies produced very clear results that should be carefully considered by anyone involved in the package-creation process.

As brand marketers delve more substantially into environmentally friendly packaging systems, they need to be cognizant of how new packages will be met by shoppers at the shelf. An analysis of any package's impact should include the following three questions:

- Will shoppers understand and appreciate the reduced environmental impact of a new packaging system?

- Will they be willing to pay more for environmentally friendly packaging?
- Will a new packaging system actually drive shoppers away from the brand by compromising recognition or perceived functionality?

These were the central questions in shaping PRS' extensive research to gauge shoppers' perceptions of environmentally friendly packaging. To ensure that their efforts to produce more environmentally friendly packaging systems are successful, marketers and designers need to invest time in speaking with consumers. They should ask questions carefully to avoid misleading responses. Specifically, marketers should:



- Beware of generalities across categories (“What would you ‘trade off’ for more environmentally friendly packaging?”). Instead, they need to assess specific new packaging systems within their own categories, relative to primary competitors.
- Beware of direct questioning about the environment (i.e., “Do you care?”). Instead, they need to measure behavior at the shelf—and later probe to understand whether environmental factors are driving shopper preferences.
- Beware of direct questioning about pricing (i.e., “Would you pay more?”). Instead, they need to test new packaging systems at higher price points to assess shopping behavior.

The research into shopper perspectives about environmentally friendly packaging began with an initial study consisting of 500 in-person interviews with primary grocery shoppers at 16 locations across the United States. The first component of the study sought to determine how well shoppers understand the term “sustainable packaging.” When asked directly, only 11% of shoppers agreed with the statement “I have heard the term and know what it means.” When questioned further, nearly half of these shoppers mistakenly believed sustainable packaging meant durable packaging.

Clearly, the majority of shoppers do not fully comprehend the “sustainable” terminology. It is a packaging industry term rather than shopper language.



Next, researchers exposed each shopper to pairs of different unbranded packages and asked which package they would choose to purchase. Researchers had two intentions: To determine whether shoppers cited environmental considerations spontaneously, and also to isolate the extent to which environmental factors drove purchasing behavior (relative to factors such as package functionality, portability, and appearance).

Then, researchers asked shoppers to rate the environmental friendliness of each packaging system on a 1-to-10 scale, with 10 being “very environmentally friendly.” This information was sought to

uncover the correlation (if any) between perceptions of environmental impact and purchase preference (Are shoppers more likely to buy products they perceive as good for the environment?).

This article draws upon examples from two of the 10 categories studied: orange juice and bandages.

For orange juice, 70% of shoppers expressed an overall preference for orange juice in a plastic bottle (vs. “cardboard”). Their preference was driven primarily by their ability to see the product. However, orange-juice packages made of plastic and board were equal in terms of their ratings for environmental friendliness (6.71 for plastic vs. 6.67 for the board container).

For bandages, an overwhelming 77% of shoppers preferred bandages in a plastic case (vs. a “cardboard” carton), based on perceptions of superior product protection. In this case, however,

shoppers overwhelmingly perceived the plastic packaging to be somewhat more environmentally friendly than the board (7.04 vs. 6.12). When questioned further, shoppers cited recyclability and re-usability as the primary factors for the plastic case's higher rating.

As these two examples illustrate, environmental ratings did not consistently correlate with purchase preference. Furthermore, when shoppers were asked directly about factors driving their preferences, environmental concerns ranked quite low on the list. Only 26% of shoppers cited "environmentally friendly" as one of the top three overall factors driving their purchase preference.

By contrast, the highest-ranking preference drivers were more functional: "ease of opening" at 41%, "whether a package is re-sealable" at 39%, and the "feeling it gives about product quality" at 38%.

Beyond the impact of environmentally friendly packaging on product preference, PRS researchers also wanted to understand shoppers' perceptions related to the potential costs of more environmentally friendly packaging. Shoppers were asked the following question: "Would you pay 5 to 10 cents more for a package that is more environmentally friendly?"

About 70% of shoppers expressed a willingness to pay this premium—with levels surpassing 80% in some of the costlier-product categories (such as bandages). Interestingly, when the same question was asked on a more general—rather than personal—level ("Should shoppers be willing to pay 5 to 10 cents more..."), 62% agreed.

When asked if manufacturers should be responsible for producing more environmentally friendly packaging without passing the costs along to the shopper, 85% said yes. Thus, shoppers appear to believe that their own obligation to bear higher costs for environmentally friendly packaging is secondary to that of manufacturers.

Since this initial research, PRS has conducted numerous custom studies on behalf of various manufacturers to gauge shoppers' reactions to new, more environmentally friendly packaging systems across different product categories. These studies have consistently reinforced the finding that environmental considerations are secondary to overall package appearance and functional considerations.

These studies also uncovered much confusion regarding environmental claims. Shoppers often are unclear as to whether the package is better for the environment or if the product itself is more environmentally friendly. In addition, shoppers are unsure whether products are "good for them" (organic, etc.) and/or "good for the planet" (recycled, fair trade, etc.). The research determined that many of the most successful marketing initiatives at CPG companies link sustainable packaging to a broader environmental brand position. One great example is The Clorox Co.'s

Green Works (www.greenworkscleaners.com) brand of natural household-cleaning products.



It is critical to make environmental messaging clear on a package by using terms that shoppers understand. Claims linked to recycling (i.e., made from recycled materials, can be recycled, etc.) typically resonate with shoppers. However, references to "post-consumer recycled materials" are the least compelling to them.

As this point indicates, PRS' research has repeatedly confirmed the centrality of recycling in shoppers' perceptions of environmental issues. Thus, the firm conducted a recent follow-up study to explore shoppers' understanding of recycling.

Figure 1

Packaging factors that drive shopper purchase preference*



*Percentages reflect each factor as a "top-three" overall choice.

Source: Proactive Research Services shopper studies.

First, shoppers were asked which packaging materials they considered to be recyclable and which materials they typically recycled in their household. Plastic was most frequently (92%) cited as recyclable, compared with figures in the 70% to 80% range for paper, glass, "cardboard," and aluminum.

Second, shoppers were asked about the recycling symbol on many packages. While 68% of shoppers claimed to be familiar with the recycling symbol, less than 20% of them claimed to actually refer to this symbol while shopping. More interestingly, relatively few of these people had an accurate understanding of the symbol.

Given the opportunity associated with environmentally friendly packaging, marketers who invest in educating both themselves and shoppers are sure to reap big rewards for their brands. {S!!}

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