

# Packaging Sustainability for Helpful Brands

Views on the role of brand owners in packaging sustainability  
based on results from the BillerudKorsnäs Consumer Panel 2017



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# Packaging Sustainability for helpful brands

## Introducing the first deep dive into the BillerudKorsnäs Consumer Panel

In the coming decades, increasing urbanisation – with megacities becoming the power hubs of societies and with large portions of the population concentrated on a small portion of the earth’s surface, will pose unique social, economic and environmental challenges. Creating the conditions for a more sustainable future, with these challenges in mind, it is a top priority for countries, municipalities, NGO’s, corporations and citizens around the world, and at the core of BillerudKorsnäs’ mission: *to challenge conventional packaging for a sustainable future.*

In 2015, UN member states adopted 17 Sustainable Development Goals (SDG) set out by the UN to cover a broad range of issues such as poverty, protecting the planet and ensuring prosperity for all. Each goal has specific targets to be achieved over the next 15 years. The goals require governments, civil society and the private sector to do their part, and for many brands and organisations the SDG 17 has become a go-to. *Packaging sustainability* is one, efficient way of helping to reach many of the SDG goals.

BillerudKorsnäs is committed to ensuring that packaging can help solve some challenges ahead in our society. In late 2016, we launched our vision on how megatrends shape Future Business Perspectives. In 2017, we initiated a process of measuring and sharing the views of the global consumer in our BillerudKorsnäs Consumer Panel. Since we know that it takes multiple players to change the market and behaviour, we are now focusing on how brand owners can do their share in changing the packaging market and ultimately consumer behaviour.

With this – the first in a series of deep dives into the results of the Consumer Panel – we want to inform and inspire **brand owners** about packaging sustainability and the opportunities it offers. Our aim is for brand owners to be empowered to use packaging sustainability as a key brand differentiator, and to take consumers with them on the journey towards a sustainable future. In coming deep dives, we will look further at implications and opportunities for policy makers in megacities, as well as regional specifics and opportunities.

## The BillerudKorsnäs Consumer Panel

The first iteration of the BillerudKorsnäs Consumer Panel was conducted during spring 2017 with a panel based in 16 megacities around the world. The study focuses on people’s views on *packaging sustainability*: how packaging can help consumers make sensible choices in what and how they consume; littering, climate change, product waste, recycling etc. Annual follow-ups of the Consumer Panel will help us track views and developments within this area over time.

*How often do brand owners ask themselves how packaging can affect consumers in becoming more sustainable? And how many brands tell their consumers “why” they have chosen a specific packaging solution for their product? Not many... But with more aware and purpose-driven consumers, it is essential to explain why.*

**Packaging Sustainability:** The role packaging can play in creating sustainability benefits for products, consumers and society.

Helpful brands around the world are contributing to *packaging sustainability* through innovation that meets consumer needs. *What's your contribution going to be?*

Arla Foods has initiated a long-term strategy to reduce environmental impact through packaging development before 2020. Arla is a helpful brand, using 54% renewable packaging materials globally, and now reaching 80% renewables in Sweden. Arla is the fourth biggest dairy group in the world.

The recent introduction of a paper based Crème Fraîche container allowed Arla to reduce the packaging environmental footprint with over 50%.



Instead of using plastic, the new Crème Fraîche from Arla is designed as a paper cup in carton and can be recycled as paper packaging along with the new sealing lid. Operates in existing machinery.

Did you know that 64% of global consumers would consider changing a brand for another if provided a more sustainable packaging choice?

BillerudKorsnäs Consumer Panel 2017

REUSABLE



Swedish fashion brand Filippa K collaborates with RePack, a reusable packaging solution for e-commerce. When customers order online, they can choose to have their order sent in a reusable RePack, that they register upon arrival and then simply return by dropping it into any post box, anywhere in the world. As a thank you, the customer will get a discount voucher. This eliminates trash and reduces carbon footprint compared to disposable plastic packaging.

75% of consumers expect brands to make a contribution to our quality of life. Millennials expect the most from brands: 77% demand services that go beyond a brand's core remit

Havas Group Meaningful Brands Report 2017



On average, 76,3% of our 2017 Consumer Panel agree that brand owners that really care about more sustainable cities can make a big difference by improving their packaging

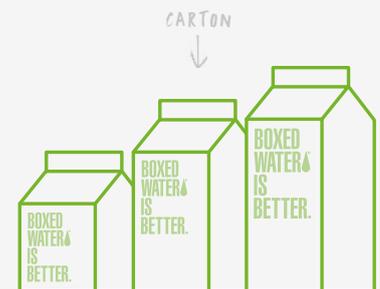
BillerudKorsnäs Consumer Panel 2017

RENEWABLE MATERIALS



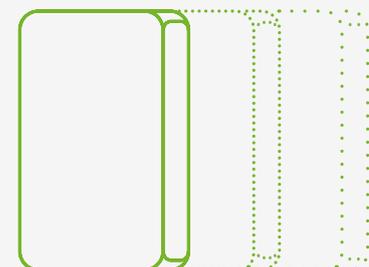
Finnish Sulapac is a prize winning biodegradable packaging made from renewable materials, only using wood from sustainably managed Nordic forests. The key features of Sulapac is the luxurious design feel and its functionality – it resists water and oil, and the material does not allow oxygen penetration. The cosmetics line Niki Newd is already using jars by Sulapac for its products.

Sulapac has comparable properties to plastics and can be processed like plastics.



The Boxed Water company disrupted the packaged water industry when they introduced a carton packaging with a bold statement, "Boxed water is better", proving that cartons can be premium and exceed standard plastic bottle brands.

Packaging that disappears! BillerudKorsnäs has developed the D-Sack, a packaging solution for the cement industry. D-sack disappears in the mixer, minimising litter and cement waste. The dissolvable paper sack optimises time needed for handling and mixing and means less costly waste disposal or negative litter effects.



DISAPPEARING

# Brand owners

## – opportunity to make a difference

### Helpful brands – a key to success

Helpful brands are purpose driven; acting, thinking and communicating according to their purpose, with a clear contribution to the world. Being helpful is a general, holistic approach to your business model, encompassing both why and how you do business. It is also about operating close to your customers: listening, interacting and innovating to make it easier for them to act in a sustainable way. *Packaging is a clear point of contact with the customer*, regardless of sales channel, and therefore a key part in being a brand that is helpful in people's ambition to become more sustainability-oriented.

Consumers are increasingly aware of the need for sustainable action everywhere, and they have a clear perception of their own importance and role in achieving progress. Thus, they are more selective and critical of the choices they make – placing demands on companies in all sectors to be transparent, have clear objectives and show how they are working to meet them. It is no longer enough to push stuff onto the market place at a reasonable price. It is about viewing the consumer differently – as a co-creator and partner to whom we have obligations. Creating *packaging sustainability* is all about consumers and brand owners collaborating and joining forces to strive towards a common goal. By making small incremental changes in how we buy and consume, together we can impact the world we live in and influence policy makers as well.

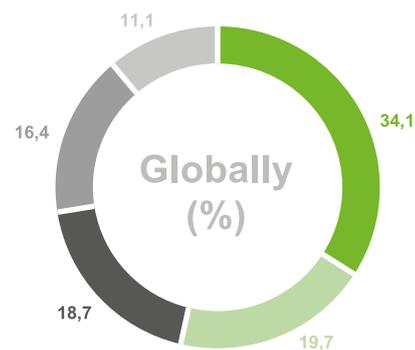
### Helping the consumer be a hero

An important insight from our Consumer Panel is that consumers view their own role in improving sustainability as crucial. With a global average of **68%**, *consumers see themselves as the primary force to change the future for packaging sustainability*. How consumers view the role of brand owners differs per region, with Europe having the highest expectations: **25,5% of the consumers expecting the brand owners to lead them to change**. Consumers are ready and willing to do their part and to change their behaviour, but they need help. One part is regulation and legislation that changes how cities approach sustainability. The other important factor is brand owners and the support, inspiration and innovation they can provide to make it easier for consumers to do right. Here is a huge opportunity for *helpful brands* to make a difference, through their own actions and through making it easier for consumers to change their behaviour in the right direction. Brands, products and packaging can make a big difference to consumers, but still **only 7% of European consumers say that brands are “contributing in a meaningful way” in their everyday lives** (Havas Group Meaningful brands Report, 2015) and just **40% think that brands really try to contribute positively** (Havas Meaningful Brands Report, 2017).

### Packaging as a strategic tool

Consumers are willing to invest, both time and money, in more sustainable packaging solutions. Brand owners that are able to activate and engage consumers, to communicate the value and functionality of the packaging and to make consumers feel their behaviour has a positive impact, will be rewarded through preference and loyalty. The consumer panel shows that **72% (higher for 18-50 years, lower above 51 years of age) are willing to pay more for a product that is packaged in a sustainable way**. 44% of all e-commerce shoppers in our consumer survey in Europe (Internal ecommerce Survey BillerudKorsnäs, October 2017), state they are ready to pay an extra fee to get packaging that fulfill their wishes: easy to recycle, easy to return unwanted goods in when necessary, easy to carry and easy to reuse. Packaging can be a strategic tool for helpful brands, in telling the story of what it contains and what good it will do for the world, but also by not creating feelings of guilt for the consumer. Dare to tell your customers why you have chosen a specific packaging for your product. If you can't think of a good explanation, there is a great opportunity to innovate your packaging to create an upside for people, planet and profits.

### Success factors for creating impact on environmental challenges



- Consumer behaviour development to change our behaviour towards always acting sustainable
- Material development towards more sustainable materials
- Technology development to manage material systems more automatic and efficient
- Business model development to increase the rewards for selecting sustainable choices
- Legislation development to make taxes and bans more directing for sustainable only solutions

## Packaging as a sustainability enabler

Our consumer panel see that packaging can make the world a better place, and actively contribute to their own safety, and partly save the planet. An important aspect of this is food safety, which is closely linked to food waste. Food waste is the highest priority for consumers when discussing the global challenges that packaging can help solve in the future. Consumers are concerned with the amounts of food that are currently going to waste, while also being concerned that the food they consume is fresh and safe. Brand owners who can explore improvements within this area will have a direct interaction in the moment of use, and will be able to prove that food waste and safety is as much on their agenda as it is on the consumers'. Such improvements can for example concern increasing shelf life and protecting fresh produce, catering to changing consumer patterns and increased share of single households. *64% of the respondents in our consumer panel indicate that they may change a product/brand for another, if it clearly provides a more sustainable choice.*

The panel also gave input on the many global challenges that packaging can contribute to solve in the future. Globally, the highest ranked tasks that packaging can do better are:



1. **Reduce food waste (Industry waste placed as No 1, Consumer waste as No 4)**
2. **Increase recycling levels**
3. **Reduce plastic littering in the oceans**

## Making recycling easy

A key to packaging sustainability is recycling, and this is also one of the key issues for consumers. Making it easy and rewarding to recycle is number one on consumers' list of dream results of future packaging innovation. We all understand by now that efficient recycling is necessary, but consumers need a little push to act more sustainably. When recycling becomes an easy, and therefore integrated, part of their lives and daily routines, they are willing to do their part and even more. Brand owners that support consumers in this can, not only win their affection, but also greatly contribute to changing market behaviour.

## Going beyond the obvious

Beyond recycling, there are many ways in which packaging can be made more sustainable. An obvious one is to change and improve the materials we use to make packaging. This can have profound effects, and is an on-going effort within the packaging industry and among brand owners. However, replacing materials is not the sole answer to creating packaging sustainability – there are other ways that can be quite as impactful, and truly involve and engage consumers. Consumers are asking for true innovation – new ideas that change the role of packaging in their everyday lives. For example: how about a second and even a third use of packaging? Being able to reuse it, instead of just discarding it? Or simply making it go away? A brand owner that explores these opportunities can lift the discussion from the waste impact of the packaging, towards the benefits of viewing packaging as a functional problem solver.



1. **Make it fun and easy to recycle**
2. **Prolong the freshness of my products (improve food safety and reduce food waste)**
3. **Give me a beneficial second use of packaging**

When asking consumers for dream results from packaging development, the top two results are by far “*make it fun and easy to recycle*” and “*prolong freshness of the products*” (not just shelf life in store). About 60% of all consumers pick those as top three priorities. In third place, chosen by over 35%, we find “*give me a beneficial second use of packaging*”. A helpful brand could utilise this as a clear value driver, if the fun recycling, the reduced food waste or the second use of packaging is clearly communicated or made intuitive for the consumer.

## A holistic view on packaging

*Branded packaging can be so much more than logo, colours, textures and shapes. Making the packaging a conceptual part of the brand's positioning can truly lift the consumer experience and show that you and the consumer are part of the same journey toward sustainable consumption. Consider the packaging solutions from a holistic perspective, and ask yourself how it can be made to work with the consumers: is it the right size or does it cause waste? Is it the right shape to promote efficient transport and handling? Is it manufactured to create minimal environmental impact? Does it communicate how it should be handled after use to the consumer? By listening to your customers, and keeping our agenda of packaging sustainability in mind, helpful brands have the opportunity to be a forerunner in an area that concerns us all, while simultaneously strengthening the brand itself.*

At this point, there are great opportunities for ambassadors of helpful brands to truly make a difference within **packaging sustainability**. Consumers are asking for practical help in making packaging more sustainable, but they are also asking for innovation and completely new ways of thinking about packaging. A holistic view on packaging and the role it plays in our society opens up for new opportunities to increase **packaging sustainability**, going beyond recycling and materials to size, function and other areas that are more unexplored today. Creating sustainable packaging solutions also goes hand in hand with increasing the attraction of packaging to the consumers, making this a sound business endeavour.

The time for pursuing **packaging sustainability** is now. Consumers are ready and demand support, and the brands that provide such support will be rewarded. The development with ever-growing megacities posing new problems means that innovative, sustainable packaging solutions are more needed and more in demand than ever. Taking action – big or small – towards sustainability is taking a step closer to consumer needs, and has the potential to create real impact both on consumers but also on the world. **Packaging sustainability** is an opportunity for brands to turn their customers into ambassadors, by meeting their needs and helping them be active in doing the right thing.

If you are interested in knowing more about what drives the development within **packaging sustainability**, our report “*Challenging conventional packaging. Trends that shape Future Business Perspectives*” introduces six perspectives on sustainable business development, based on the megatrends that shape our near future. More information on the results from the Consumer Panel are available in the report “*BillerudKorsnäs Consumer Panel 2017*”.

Both reports can be found at [www.billerudkorsnas.com/trends](http://www.billerudkorsnas.com/trends)

We invite you to contact us to further take part of and discuss these results and how they can be used in the pursuit of packaging sustainability! Also, we invite you to join our journey in following up with further studies and deepening insights in the coming years. Packaging Sustainability advisory through BillerudKorsnäs is a good start to find out where your brand can get high returns on new packaging development initiatives.

[www.billerudkorsnas.com](http://www.billerudkorsnas.com)

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