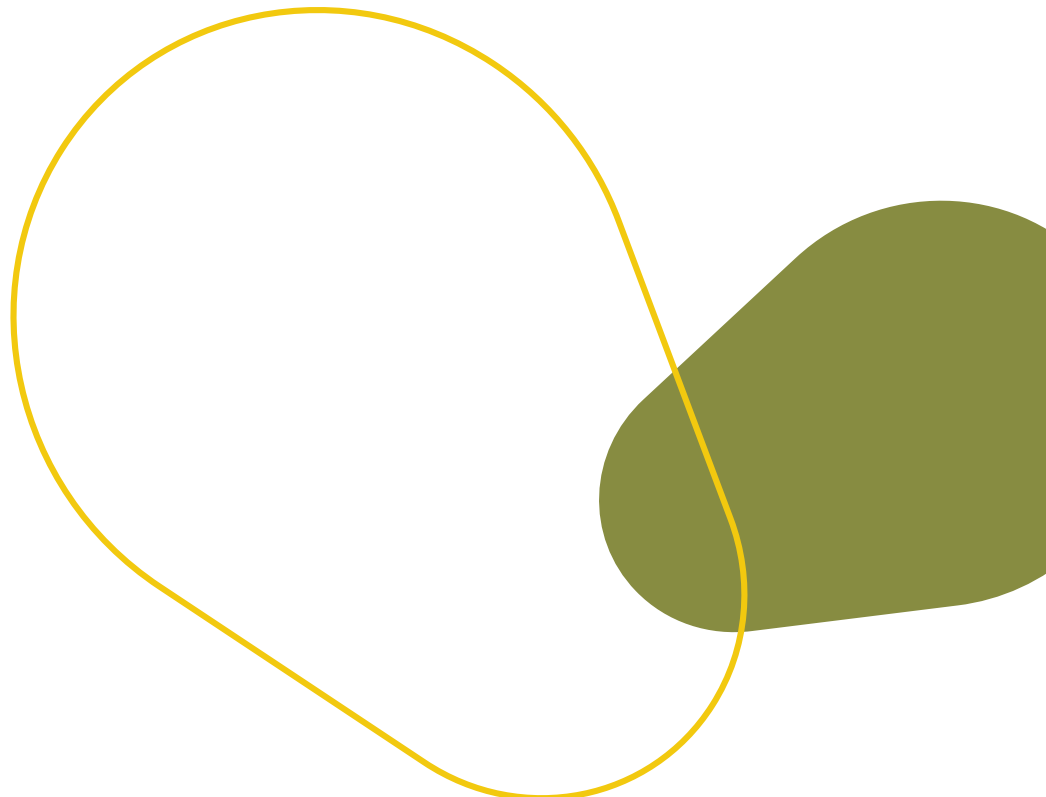# Meeting Sustainable Packaging Mandates With Dashboard-Based Collaboration

Insights for Grocery Retailers and CPG Manufacturers

Contents

Introduction

The push for sustainable product packaging becomes more urgent every day. Consumer awareness about the environmental impacts of each purchase decision is rising. Corporate Social Responsibility (CSR) goals are increasingly front and center. And more stringent governmental regulations around the use of plastic packaging are already in place in a number of regions, with additional mandates expected to take effect soon in others.

In a recent article, McKinsey analysts identified three primary factors that are combining to reinforce the rapid pace of change in the packaging sector:

- A dramatic shift to online shopping

- Increased global regulation of packaging waste

- The acceleration of consumers' sustainability concerns

The good news is that many CPG manufacturers and grocery retailers already have the data in-house that can help them identify key areas for improvement and develop action plans to change their sustainability profile. But to move quickly enough to meet government mandates and satisfy consumers' expectations, brands must enable strong collaboration among all the players in the packaging design, development and production ecosystem.

Companies that leverage a central place for all kinds of packaging data, accessible via a customizable dashboard, gain the ability to:

- Quickly determine which types of packaging contain problematic elements;

- Perform what-if scenario planning for eliminating or reducing these materials;

- Achieve sustainability goals while ensuring their packaging continues to meet safety and logistics requirements; and

- Maintain packaging's function as a compelling brand ambassador and consumer influencer.

By bringing together all the facts and insights to inform and support their decisions, national brands and private labels can use the data from a full-featured packaging management platform to prove the effectiveness of their sustainability efforts. They can then translate that data into consumer-friendly messaging that reflects the brand's commitment to CSR and demonstrates the results of the organization's sustainability actions.

This *Retail TouchPoint*s white paper will explore how grocery retailers and CPG manufacturers can leverage a modern, dashboard-based packaging management solution to enable more efficient and effective CSR and quality data collection, analyze and optimize that data, and then use that data to develop meaningful relationships with suppliers at every stage of the packaging development process.

Identify Problem Elements and Uncover Improvement Opportunities

Traditionally, brands often struggled to find potentially problematic elements in their packaging with the limited tools and methods they previously had available. Today's multi-layer manufacturing and supply environment encompasses far more collaborators — and an exponentially wider array of data points — than in years past.

Brands have often relied on spreadsheets to track their packaging programs. But this baseline approach doesn't have the power to provide visibility into a program's overall health. It also leads to manual data-pulling, which hinders the ability for enterprises to collect and interpret data from multiple disparate systems accurately and efficiently.

Grocery retailers and CPG manufacturers today need more robust tools to answer these types of pertinent packaging questions:

- Which elements are the most and least recyclable across our brand's footprint?

- Are alternate materials available to help reduce waste?

- How will consumer expectations influence our packaging strategy moving forward?

- Will new compliance mandates change the cost-benefit ratio of our current packaging program?

In addition, companies now need to know far more detail about their supply chain, including:

- The point of origin for different materials;

- How elements are sourced and processed;

- Available recycling options for their particular blend of materials; and

- Cost implications that may result from changes to the size or structure of each product's packaging.

With so much information feeding into packaging decisions, multiple departments — quality, logistics, CSR and marketing, for example — often hold pieces of information about the organization's packaging program. That means no single department has a complete, global view.

Drilling down to the best business decisions requires a 360-degree perspective, with each group contributing their unique datasets. Some teams have a better understanding of the regulations your packaging must meet, while others have detailed knowledge of supply chain capabilities and constraints.

The right packaging management solution incorporates data about regulations, supply chain capabilities, manufacturing constraints and other crucial factors. It can then deliver reliable data in one single, easy-to-access dashboard. A modern platform empowers your team with rich, timely and high-quality information so you can make the best proactive decisions for your business.

Amount of plastic packaging waste recycled
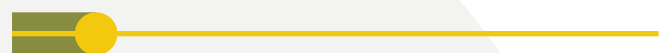
United States **13%**
Source: EPA

Europe **41%**
Source: Eurostat

Use What-if Planning to Your Advantage

Every adjustment to your packaging program will have an effect. But understanding the potential consequences of each proposed change is more difficult when your decisions impact packaging design and manufacturing at scale.

For grocery retailers and CPG brands operating in high-volume environments — or when packaging falls under multiple sets of regulations — the process is even more challenging. The complexities behind every choice are amplified across the business, especially when packaging transformation involves changes to multiple elements within your program

Before your organization commits to a course of action, you need a way to evaluate how each change to your packaging strategy will play out. A shift to cardboard over plastic, for example, appears simple at the outset.

But consider these possible what-if scenarios from that one change.

- What if your new element creates issues with food protection or preservation?

- What if your chosen material blend isn't accepted by regional recycling programs?

- What if shipping costs increase due to weight or package size?

- What if the tactile feel, odor or appearance are off-putting to customers?

A platform that natively supports complex and multi-layered what-if scenario planning — and delivers relevant insights through a streamlined, unified dashboard — enables you to understand upstream and downstream effects of every packaging decision. Your team will know how each scenario aligns with your brand and business goals before you implement those changes at scale, giving you confidence that the packaging choices you make today will prove beneficial into the future.

79%
of brand owners say they've made two or more significant shifts in packaging material substrate.

Source: L.E.K. Consulting

Maintain Packaging Safety and Strength While Improving Sustainability

Though updating material choices and packaging design can move a brand further along its CSR journey, any changes must take functionality into consideration, too. The wrong decisions could open your organization up to significant risks, such as reduced durability, safety concerns or even product loss. Not only do these problems have the potential to diminish financial performance — damaged goods must be discarded and replaced, for example — they also add to supply chain friction by delaying the delivery of product to the store or end customer.

Food item packaging must protect the product from a vast range of potentially harmful elements, events and conditions, including:

- Moisture
- Heat or cold
- Pests
- Rough handling during transport
- Substandard storage environments

And after enduring all of that, each package still needs to look good on the display shelf or in the customer's home. Shoppers expect items to be in good condition, unblemished, intact, free of spoilage, and ready for use or consumption. And as consumers increasingly look for innovative offerings — such as bulk purchasing options to save money and reduce waste — brands must explore new ways to deliver a compelling product that meets those updated expectations.

The key to making all of this happen and ensuring your packaging delights customers at every turn is a deep understanding of how each change in materials, each adjustment to packaging weights and thickness, and each update to size and construction will influence the overall customer experience. The right packaging management technology delivers that insight and helps you make the best choices based on your unique product profile.

Consumers across 10 countries rank hygiene and food safety as packaging's most important factors.

Source: McKinsey

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Delight Customers With Packaging That Reflects Your Brand's CSR Commitments

Product packaging is often the first opportunity for your brand to build trust and engagement with consumers, and you want every element to work together to build your reputation and please your shoppers. A customer who isn't happy with your packaging may never buy your products again. And while the initial presentation is important, shoppers' long-term opinions of your packaging also factor heavily into their future purchase decisions.

You want to deliver a buying experience that blends aesthetic appeal, product safety and durability to match customers' expectations. It's also important that your packaging program aligns with the commitments you've made to protecting environmental resources and improving sustainability.

As your packaging evolves, it's important to have data available to show why your choices are the right ones. Shoppers accustomed to traditional packaging options may not understand that thinner materials may actually be stronger, or that new recycling and reuse technologies make long-standing "bad" components a viable (and responsible) choice.

Ensuring that form and functionality work together — so the price is right, customers are delighted, and regulators are satisfied — requires strong collaboration between material suppliers, packaging manufacturers and retail brands. A technology solution designed to facilitate and streamline that collaboration is key to keeping everyone on the same page. When information can be seamlessly shared across the entire design, manufacturing and implementation chain, brands are empowered to drive innovation with sustainable packaging design and materials that delight customers.
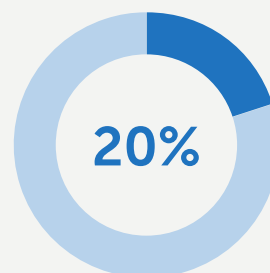
Percent of online consumers who think reducing their environmental impact is "too much work."
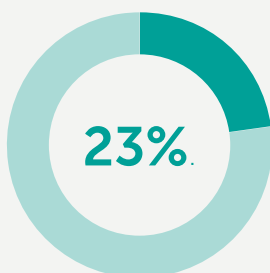
23% United States
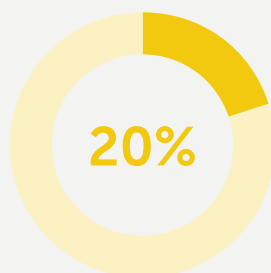
20% France

20% United Kingdom

Source: Forrester

78% of consumers expect companies to do more to help them make smart environmental choices

Source: Kearney

Conclusion

CPG brands and grocery retailers are on the front lines of packaging transformation. CSR initiatives, regulatory mandates and growing customer awareness are driving innovations in product packaging, and the desire to do the right thing for the environment is further pushing brands to find new ways to reduce waste and improve sustainability.

A robust packaging management solution can empower your business with valuable insights and easily accessible data across the entire packaging design, development and manufacturing process. You'll have the information you need to identify improvement opportunities, mitigate risks and collaborate with your supply chain partners to create sustainable packaging that meets your compliance obligations, builds customer loyalty and reflects your brand's CSR commitments.

Learn more ›

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