FPA Consumer and Brand Owner Sustainability Study
Key Study Objectives

Understand what sustainability means to consumers
• Importance of sustainability overall and relative to packaging
• Understanding of packaging-related sustainability attributes
• Opportunities for education that drives purchase decisions

Understand how brand owners are addressing sustainability
• Extent to which sustainability is part of business goals
• How brand owners think consumers perceive sustainability
• Barriers and opportunities for growth
Consumer Research Methodology

2,012 U.S. consumers
Ages 18+ surveyed in July 2018

*The consumer study was commissioned by FPA and conducted online by The Harris Poll July 10-12, 2018. The online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated.
Brand Owner Research Methodology

349 Brand Owners
Surveyed in June 2018
TYPES OF PACKAGING

- Food: 59%
- Beverage: 28%
- Industrial products: 26%
- Healthcare (pharma or med device): 23%
- Personal care: 18%
- Contract packager: 7%
- Other: 5%

CURRENT PACKAGING MIX

- 100% flexible: 21%
- 100% rigid: 21%
- 50% flexible, 50% rigid: 20%
- A mix of more than 50% flexible: 17%
- A mix of more than 50% rigid: 20%
- Other: 1%
Key Findings
Brand owners believe consumers care about sustainability, but may not understand it.

**BRAND OWNER Q:**

“In your opinion, do you feel that consumers…”

(Percent who somewhat/strongly agree)

**CONSUMER Q:**

“How much do you agree or disagree with each of the following statements about sustainability?”

(Percent who somewhat/strongly agree)
Brand owners believe consumers care more about materials than processes.

- 72% believe consumers care about the sustainability aspects of packaging materials.
- 56% believe consumers care about sustainability aspects of packaging processes.
Consumers say sustainability is important

**IN GENERAL:**
- 86% say they care about sustainability in general
- 78% say they support/buy from businesses with sustainability initiatives

**FOR PACKAGING:**
- 82% say they care about the sustainability aspects of packaging
- 79% say they prefer products that are in sustainable packaging over ones that are not

*Percentages based on summary of those who strongly agree or somewhat agree with statements*
CONSUMER Q:

2018: “In your opinion, how important are each of the following packaging attributes for products sold online/in-store?”

(Summary of Absolutely Essential/ Extremely Important/ Very Important)

2015: “How important, if at all, are each of the following packaging features of food products to you?”

(Summary of Absolutely Essential/ Extremely Important/ Very Important)

*2015 study conducted online by The Harris Poll on behalf of FPA September 9-11, 2015 among 2,120 U.S. adults ages 18+
Convenience attributes have remained consistently important

CONSUMER Q:

2018: “In your opinion, how important are each of the following packaging attributes for products sold online/in-store?”

(Summary of Absolutely Essential/ Extremely Important/ Very Important)

2015: “How important, if at all, are each of the following packaging features of food products to you?”

(Summary of Absolutely Essential/ Extremely Important/ Very Important)
Environmental and sustainability benefits appear to be more likely to be considered important in 2018, rated alongside convenience factors in terms of importance to consumers.
Full lifecycle impacts of packaging sustainability are not always top-of-mind

CONSUMER Q:

“Which of the following terms do you believe best describe sustainability?”

Select all that apply.

Words like “transportation efficiency” and “lightweight” are less likely to be associated with sustainability than “recyclable.”

- Renewable 59%
- Recyclable 56%
- Energy efficiency 51%
- Less waste 48%
- Resource efficiency 47%
- Transportation efficiency 24%
- Circular economy 13%
- Lightweight 9%

*Selected items shown
In fact, consumers are more likely to think glass is sustainable.

**CONSUMER Q:**

“Which of the following types of packaging do you believe are sustainable?”

Select all that apply.

- Glass (e.g., jars, bottles, etc.) - 57%
- Corrugated (e.g., cardboard box) - 51%
- Metal cans - 39%
- Flexible (i.e., packaging that can readily change shape such as pouches) - 37%
- Rigid plastics (e.g., bottles, containers) - 34%
- Other - 4%
- None - 8%

Consumers are more likely to believe glass and corrugated packaging are sustainable than they are to believe flexible packaging is sustainable.
When presented with a list of packaging attributes specific to sustainability, the vast majority of consumers say they care about all of the attributes listed – including transportation efficiency and using less water.

CONSUMER Q:
“Thinking about the products you buy, how important is it to you that product packaging...”

(Summary of “at least somewhat important”)
Consumers care about sustainability but don’t always take action

27% say they always or often actively seek out products in sustainable packaging

21% of consumers say they always or often pay more for products in sustainable packaging
Many have grown skeptical of sustainability claims are often skeptical of sustainability claims made by companies say they are tired of hearing about sustainability
This indicates an opportunity to elevate the visibility of specific sustainable manufacturing processes and supply chain concepts in the sustainability conversation among consumers.
Millennial Opportunity
CONSUMER Q:

“Thinking about the products you buy, how important is it to you that product packaging...”

(Summary of Absolutely essential or Extremely important)

Has a sustainable lifecycle

- 65+: 33%
- 55-64: 26%
- 45-54: 26%
- 35-44: 24%
- 18-34: 25%

Has been transported efficiently

- 65+: 32%
- 55-64: 23%
- 45-54: 23%
- 35-44: 23%
- 18-34: 21%

Is manufactured with less energy

- 65+: 33%
- 55-64: 26%
- 45-54: 28%
- 35-44: 23%
- 18-34: 22%
CONSUMER Q:
“How often do you do each of the following?”
(Summary of always/often)
CONSUMER Q:

"Which of the following types of packaging do you believe are sustainable?"

Select all that apply.

In fact a similar proportion of consumers ages 18-34 and 35-44 are likely to think flexible, glass and corrugated are sustainable. A smaller percentage in these age ranges think metal and rigid are sustainable.
This indicates an even greater opportunity to clearly communicate the value of full lifecycle impacts of flexible packaging with Millennials, especially as they drive packaging trends in the future through increased buying power and influence.
Brand Owner Findings
Brand owners see reducing costs and physical protection as most important

**BRAND OWNER Q:**

“When assessing packaging, which THREE attributes do you consider most important to your brand?”

(Respondents could choose up to three answer choices)

Compared to the 2015 study, physically protecting the product and shipping/transportation efficiency were considered as more important. Enhancing brand image and differentiates at the shelf were considered as less important.
Brand owners are becoming more sustainable

**BRAND OWNER Q:**

“How have your company’s sustainability efforts changed in the past five years?”

- More effort: 67%
- About the same effort: 29%
- Less effort: 4%
- No focus on sustainability: 4%

**Within sustainability approach, packaging is:**

- High priority: 43%
- Medium priority: 39%
- Low priority: 14%
Brand owners prioritize packaging and product waste

**BRAND OWNER Q:**

“Which THREE of the following factors are MOST important to your company’s sustainability goals?”

(Respondents could choose up to three answer choices)

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Findings are similar to trends seen in 2015 Brand Value Study although lightweighting notably increased in importance.

<table>
<thead>
<tr>
<th>Factor</th>
<th>2015</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less packaging waste</td>
<td>57%</td>
<td>55%</td>
</tr>
<tr>
<td>Less product waste</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Source reduction (lightweighting)</td>
<td>26%</td>
<td>36%</td>
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<tr>
<td>Transportation efficiency</td>
<td>36%</td>
<td>35%</td>
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<tr>
<td>Recyclable by consumer</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>Overall lifecycle</td>
<td>28%</td>
<td>22%</td>
</tr>
<tr>
<td>Made of recycled content/ includes recycled content</td>
<td>16%</td>
<td>21%</td>
</tr>
</tbody>
</table>
BRAND OWNER Q:

Which of the following sustainability trends do you expect to drive change in your packaging processes in the next five years?

Please check all that apply.

- New packaging technologies/processes: 57%
- Bio-based materials/structures: 38%
- Biodegradable packaging: 38%
- Increased recycled content: 35%
- Recyclable multi-layer, single material laminates: 29%
- Compostable packaging: 28%
- Food waste reduction technologies: 21%
- E-commerce returnable packaging: 16%
- E-commerce overwraps: 12%
- Life cycle tools: 12%
BRAND OWNER Q:

“Which THREE of the following are the biggest barriers to increasing sustainability efforts at your organization?”

(Respondents could choose up to three answer choices)

<table>
<thead>
<tr>
<th>Barrier</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Failure to identify alternatives of equal or less price</td>
<td>44%</td>
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<tr>
<td>Failure to identify alternatives of equal or better quality</td>
<td>42%</td>
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<tr>
<td>Competing organizational priorities of higher interest</td>
<td>40%</td>
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<tr>
<td>Difficulty identifying opportunities for change</td>
<td>31%</td>
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<td>Too time-consuming to pursue</td>
<td>25%</td>
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<td>Lack of demand from consumers</td>
<td>25%</td>
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<tr>
<td>Lack of management buy-in/recognition of importance</td>
<td>19%</td>
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<tr>
<td>Few opportunities left to pursue</td>
<td>11%</td>
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</tbody>
</table>
There is an opportunity to further inform brand owners about the specific operational and performance sustainability benefits of flexible packaging as well as consumer interest in very specific sustainability attributes.
A case for driving consumer conversation about full lifecycle impacts
Brand owners believe consumers care about sustainability, but may not understand it.

**BRAND OWNER Q:**

“In your opinion, do you feel that consumers…”

(Percent who somewhat/strongly agree)

- **84%** Care about sustainability in general
- **60%** Understand the meaning of sustainability
Consumers say sustainability is important...

86% of consumers at least somewhat agree that they care about sustainability in general.
CONSUMER Q:

"Which of the following terms do you believe best describe sustainability?"

Select all that apply.

- Renewable: 59%
- Recyclable: 56%
But when presented specific lifecycle impacts of packaging, they recognize the importance

24% say transportation efficiency describes sustainability

think it’s at least somewhat important that product packaging has been transported efficiently

81%
Driving understanding of specific lifecycle impacts of flexible packaging

• There is a clear need for greater consumer education about specific lifecycle impacts of flexible packaging

• The entire flexible packaging supply chain must amplify communications about specific sustainability benefits
Embrace Millennial receptiveness and influence

- Consumers aged 18-34 are more likely than members of other generations to recognize full lifecycle benefits of flexible packaging.

- Younger generations are more likely to view flexible packaging as sustainable – on par with glass and corrugated; better than metal and rigid plastic.

- Millennials are also more likely to say they always or often take action.
Research communications campaign

• Full research report for members – coming soon

• Research summary book/e-book

• Brand owners and consumer infographics

• Traditional and social media