



Shifting Focus of Companies Towards Reusable Packaging for In-House Packaging Process

📍 Market Situation

Consumer goods companies are increasingly recognizing the importance of sustainable practices, with a specific focus on packaging. The market situation is marked by a growing awareness of environmental issues, heightened consumer expectations for eco-friendly products, and an increasing emphasis on corporate social responsibility.

Many Consumer Packaged Goods (CPG) companies have set their goals to adopt more sustainable packaging by 2025 or 2030. However, now various factors are creating pressure on CPG companies to accelerate efforts and engage more broadly with the supply chain in order to fulfill their stated objectives.

🛒 Market Trends

- Increasing regulatory pressure from regulatory bodies
- Increasing consumer demand for eco-friendly products
- Companies are under pressure to reduce their carbon footprint and adopt more environmentally friendly practices



Client Challenges

The client faced various challenges when pursuing more sustainable product containers. Consumer goods companies face challenges in meeting sustainability goals while maintaining cost-effectiveness in their packaging processes. Traditional packaging methods may be cost-effective initially, but the long-term environmental impact and consumer perception can have adverse effects on brand image and market share. Traditional packaging, often associated with single-use materials such as plastic, glass, metal, and paper, can have significant long-term environmental impacts. These impacts extend throughout the lifecycle of the packaging, including raw material extraction, manufacturing, transportation, use, and end-of-life disposal.

To address these long-term environmental impacts, there is a growing emphasis on sustainable packaging alternatives, including materials that are biodegradable, compostable, and easily recyclable. Transitioning to more eco-friendly packaging solutions is critical for mitigating the adverse effects associated with traditional packaging materials.

- The sustainability trend can disrupt existing supply chains and vendor requirements
- Sustainable packaging can exacerbate the already limited supply of raw materials

Our Approach

Keeping in consideration the market dynamics and challenges which the client has faced. We analyzed the environmental impact, cost structure, and consumer preferences. Additionally, we evaluated the feasibility of transitioning to reusable packaging for in-house processes. To address these challenges, our market research company adopted a strategic approach:

- Key considerations involve pre-purchase (awareness), purchase (usability), and post-purchase (recyclability) decisions
- Companies must consider how their packaging can impact the entire circularity of the design, manufacture, distribution, experience/performance and use collection, and recyclability of their product.

In our research, sustainable packaging is one of the most important trends affecting the CPG industry. With a three-point focus on targeting consumer attitudes, broader sustainability relevance, and greater brand participation in consumer lives, we believe first-movers will have a big impact in the years to come.

Our Recommendations

Based on our assessment and findings, we recommended a strategic shift towards reusable packaging for in-house processes. This involves investing in sustainable materials, adopting efficient recycling programs, and implementing innovative packaging designs that reduce waste. Collaborative efforts with suppliers and stakeholders are also suggested to ensure a seamless transition.



Business Impact

The adoption of reusable packaging not only aligns with sustainability goals but also generates significant cost savings. The implementation of our recommendations resulted in significant positive outcomes for our client:

- By reducing the reliance on single-use packaging, the client achieved operational efficiency and decreased waste disposal costs
- Gain positive recognition from environmentally conscious consumers
- The shift towards reusable packaging positions the company to earn carbon credits, contributing to a positive environmental impact

Conclusion

In conclusion, the consumer goods industry's inclination towards reusable packaging is a strategic move that addresses both environmental concerns and economic efficiency. By embracing sustainable packaging, companies can create a positive impact on the environment, enhance their brand image, and realize significant cost savings in the long run.