The Plastic Paradox

How to address plastic packaging as part of a sustainable strategy

Handout Webinar 27-08-2020

A Beautiful Lives research
Many of our clients come to us with a question that sounds like a paradox. *How can we address our plastic packaging as part of our sustainable strategy?* Contrary to public belief, plastic packaging is, in some cases, the most sustainable option for the time being. But how can sustainability and the negative image of plastic packaging be reconciled?

We took a deep-dive into online conversations about plastic in relation to sustainable brands and strategies with our BL*AI tool. We also deployed an online BL*Bootcamp to start a conversation with consumers directly.

On August 27 we presented the outcome in a webinar. This handout shows the highlight of this exploration and, while on the journey to sustainable solutions, can help you address your plastic packaging in a way that consumers can understand and trust.
Introduction

- The rising tension of plastic
- 7 ways for organisations to deal with plastic
How can we address our plastic packaging as part of our sustainability strategy...
…until we can implement a sustainable solution?

fossil based plastics

new solutions
and in the meanwhile deal with the frustration and distrust consumers have
Our approach combining AI with our qual expertise

Indepth with BL*AI
- BRAND: Emerging & X-category
- CULTURAL: Online magazines
- INFLUENCER: Blogs and websites
- CONSUMER: Blogs & forums
- GROUPS: ...government and charities
- EXPERTS: Blogs, articles and websites
- INTERNAL: documents & reports
- And More...

Over 80 rich, inspiring, global sources

Explore with consumers
- 4 online focus groups with NL consumers

Analysis
- beautifullives Insights & Innovation experts
- &
- Qualitative human analysis, accelerated by AI technology

Output
- discover.ai tooling
- 7 ways to deal with the paradox of plastic
Plastic frustrates…
both consumers and marketeers

“It’s everywhere, you can’t do without it, even if you want to”

“The first time I saw how big the plastic part of my garbage is, it shocked me!”

“Now you see, they (consumers) hate plastic, but in the end choose the plastic pack above the others…”

“First talking about how green they (consumers) are, but not willing to go the extra mile to recycle the plastics…”
On plastic it’s…the classic
‘THEY don’t do what
they say nor say what
THEY do’
Bridging the paradox towards a win-win, *friction free* solution
‘good for me, good for us’
To understand the way the consumer friction related to the usage of plastic we took an economic behavioural perspective.

Largely behavioural economics states that behaviour is build on 3 pillars:
- Underlying motives, build of:
  - Socio cultural dynamics, Own norms & values
- Thinking, build of:
  - Cost-benefit analysis, Effectiveness, Credibility
- Doing
  - Context, Habits & routines, Heuristics
taking an economic behavioural perspective

**thinking**

- Cost-benefit analysis (what's in it for me?)
- Effectiveness (can I do this?)
- Credible (do I believe this?)

**context**

- (un) conscious behaviour

**doing**

- Habits & routines
- Heuristics

**underlying motives**

- Socio-cultural dynamics
- Own norms & values

- Underlying motives
taking an economic behavioural perspective on the usage of plastic

Thinking
- Cost-benefit analysis (what’s in it for me?)
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Doing
- Habits & routines
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Socio-cultural dynamics

Underlying motives

Own norms & values

leads to frictions / new perspectives and thinking on how to relate to this

leads to frictions / new behavior

socio-cultural dynamics towards sustainable behaviour & plastics are changing

(uns) conscious behaviour

beautiful lives
taking an economic behavioural perspective on the usage of plastic

leads to frictions / new perspectives and thinking on how to relate to this

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thinking

Cost-benefit analysis (what’s in it for me?)
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Doing

Habits & routines
Heuristics

Socio-cultural dynamics
Own norms & values

Underlying motives

Context

socio-cultural dynamics towards sustainable behaviour & plastics are changing

beautiful lives
the further in the chain, the stronger the friction

- raw material
- production
- transport
- instore
- usage | IH OOH
- disposal

out of scope for most consumers

growing level of inconvenience & guilt

out of scope for most consumers
How to build trust towards a ‘plastic free’ future?

**Thinking**
- Underlying motives
- Own norms & values
- Habits & routines
- Heuristics
- Socio-cultural dynamics
- Credible
- Effectiveness
- Cost-benefit analysis

**Doing**
- Encouraging accountability
- Partnering up
- Initiate action
- Tackle the why
- Support during disposal
- Stating ambitious commitments
- Taking responsibility

**Underlying motives**
- (un) conscious behaviour
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- (un) conscious behaviour

1. Taking responsibility
2. Stating ambitious commitments
1. Taking Responsibility

- On a daily basis, consumers are exposed to stories about the negative impacts of corporations worldwide.

- However, there is a sense of disconnect, as some brands are flaunting sustainability claims that do not match their reputation concerning sustainability.

- This had led to mistrust towards corporations and their true interests as consumers feel they are sugar-coating their real impact in order to sell their products.

- Consumers would rather see these brands take their responsibility by acknowledging their share of negative impact before flaunting their approach to a sustainable future.
“At Patagonia, we start with the knowledge that everything we produce comes at a cost to the environment. We then work continuously to lower the environmental and social costs of our products at every phase of their life cycle.”

“Our plastic is our responsibility, so we are committed to collecting back more than we sell, [...]. This is a daunting but exciting task which will help drive global demand for recycled plastic.”

“The global plastics problem is a wrong we have to right.”

“With companies being as powerful and influential as countries, it’s important now more than ever for these entities to start taking responsibility for their actions.”

“Greenpeace is asking supporters to call out companies on social media by tagging the brands responsible for plastic pollution by posting photos of branded plastic waste found in nature #IsThisYours”
2. Stating ambitious commitments

- Although there is a sense of mistrust towards corporations, consumers also recognize their power to create a big impact.

- With the scale and severity of the sustainability issues today, consumers feel like they can only have a small impact and look to corporations to take the lead.

- **Brands should set specific, ambitious goals that fit their current, and possible future impact** in order to further propagate their responsibility as a powerful actor.

- This clarifies the brand’s intentions and allows for corporations to be held accountable.

- However, unclear, unambitious and continuously unmet commitments face public scrutiny and could fire back.
"We’re working on a way to use no oil-based plastic at all in the future, making our bottles 100% renewable. We’re well on our way to making that happen by 2022:"

― innocent

"By 2025 Evian will become a full circular brand, making all of its plastic bottles from 100% recycled plastic, seeking zero plastic bottle waste."

― evian

"We are committed to finding improved solutions to reduce, reuse and recycle. Our ambition is to achieve 100% recyclable or reusable packaging by 2025."

― Nestlé

“So, overall, I really love this phone case, but what I love even more is Pela’s commitment to thinking bigger, and actively moving towards a more sustainable future”

Source

“One high street bank references its sustainability commitments repeatedly, while at the same time continuing to finance fossil fuels to the tune of £47 billion since 2016”

Source
How to build trust towards a ‘plastic free’ future?

3. Encouraging accountability
4. Partnering up
5. Initiate action

- Underlying motives
  - Socio-cultural dynamics
  - Own norms & values

- Context
  - Habits & routines
  - Heuristics

- Thinking
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- Doing
  - (un) conscious behaviour
3. Encouraging Accountability

- Although consumers are becoming increasingly aware of the impact of products throughout their supply chains, the supply chain often remains a ‘black box’

- Consumers experience uncertainty when it comes to how corporates source their materials and whether they are truly sustainable

- This uncertainty can lead to mistrust as consumers are exposed to stories about misconduct in supply chains

- And so for brands to back up their sustainability commitments, and to be able to be held accountable, supply chain transparency is key

- Brands can encourage accountability by allowing customers to ‘take a look in their kitchen’ or by proactively inviting independent auditors to do so
Explore the Fairphone 3 supply chain with our interactive map: the map is a visual representation of the path that the components in the Fairphone 3 take - from the mines and the factories all the way to you. It includes all the suppliers that we know of to date, as well as some of the mines sites and smelters we work closely with.”

At the Green Hub (Lush’s in-house recycling centre), the pots are chipped down, washed and dried in a machine called a granulator. The little pieces of plastic are then melted down and reformulated into new black pots - a part of the process the Green Hub hopes to be able to do in-house in the future with increased returns of black pots.

“Puma, in a surprise leap to the front of the sustainability leadership pack, commissioned TruCost and PwC [...] to assess the value of its total environmental impacts from operations and supply chain, including carbon pollution, water use, land use, and waste generated”

“I like an ingredient list that I can understand, a product that didn’t harm the earth in its creation and won’t after it’s been used, and a transparent story of how this item was formed before it reached my hands”
4. Partnering up

- Consumers have preconceived perceptions of brands and their intentions, based on their own experiences and public narratives.
- It can be hard to believe that a brand is seriously holding sustainability as a core business value.
- Partnering up with organizations that are at the forefront of sustainable development can boost the credibility of your strides as well as your innovation efforts.
- Organizations that consumers trust with sustainable development can transmit that trust towards your brand.
- Equally, brands that acknowledge their strengths and weaknesses by partnering up show a sign of honesty, which further solidifies their credibility.
“Our partnership with Henkel is a good example of what can be achieved by joining forces,” said David Katz, CEO of Plastic Bank. “Together we can create true added value by tackling the waste problem in a holistic approach while at the same time helping the world’s poorest people.”

“We collaborate closely with our customers, like-minded front-runners, (non-) governmental organizations, and other stakeholders, such as the Ellen MacArthur Foundation, to drive the adoption of circular thinking.”

“We don’t have all the answers and cannot achieve our goals alone. Therefore, we are committed to working together in a collaborative way and being transparent about what we learn.”

“the collaboration of Fairphone with iFixit [...] is a rarely seen commitment from a company trying to make it as easy as possible for users to buy spare parts online, and to have access to repair guides and high-quality repair video tutorials.”

“I wrote about a collaboration between Adidas and Parley to create a shoe out of abandoned fishing nets [...] I was happy to see that this turned out to be more than just a concept and that you can actually purchase Adidas shoes made from recycled plastic.”
5. Initiate action

- Actions speak louder than words. Also when it comes to communicating your sustainable strategy.

- Consumers are bombarded with brand communication and sustainability claims and are not sure who is actually making an impact.

- **Brands that can create tangible impact through sustainable initiatives can make a lasting impression on consumers.**

- However, consumers are quick to distinguish true impactful initiatives from publicity stunts.

- Initiatives should:
  - connect to the brand’s sustainability commitments.
  - create tangible impact on problems that are relevant to the brand and its customers.
  - reflect the power and scale of the corporation.
“LUNA Bar is closing the World Cup roster bonus pay gap by giving each of the 23 women in the 2019 World Cup team the $31,250 difference to make their roster bonus equal to the men’s. [...] And by sharing their experience publicly, the players of the USWNT become advocates, mentors and role models to women and girls around the world.”

“Regardless of what people think, I for one still think it’s a move in the right direction. Everyone knows this sort of change won’t happen instantly.”

“Method teamed up with local beach clean-up groups and volunteers to collect plastic debris from the beaches of Hawaii to use for our ocean plastic bottles.”

“The company isn’t aiming to clean up the North Pacific Gyre and the tons plastic trash awash in its currents. Its goal is to raise awareness of plastic pollution. Which is a great idea, as Treehugger’s John Laumer notes.”
How to build trust towards a ‘plastic free’ future?

**Thinking**
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- Heuristics
- Habits & routines
- Context
- (un) conscious behaviour

**Effectiveness**
- (can I do this?)
- Credibile
- (do I believe this?)

**Cost-benefit analysis**
- (what’s in it for me?)

**Socio-cultural dynamics**

**Underlying motives**

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- 2. Stating ambitious commitments
- 3. Encouraging accountability
- 4. Partnering up
- 5. Initiate action
- 6. Tackle the why
- 7. Support during disposal

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6. Tackling the ‘why’

- The use of plastics by brands that identify themselves as sustainable creates frustration with consumers.

- Consumers have a limited understanding of the benefits of plastics relative to other materials, especially for FMCG, where plastic is often single-use.

- Brands can intercept this confusion by tackling the question head-on and by explaining why they still use plastic.

- Pay attention to detail. Consumers are critical of vague explanations as they come across as sugarcoating.

- A clear explanation considers the pros and cons and includes an acknowledgement of the fact that it might not be perfect yet.

- The packaging design should match your message. Eliminate unnecessary plastic and make it easy to dispose of sustainably.
Why we use plastic packaging.

“With seemingly constant anti-plastic stories on the news, we wanted to find out which form of packaging is actually the best for the environment. We have seen other companies switch to paper because it is perceived as better but [...] after reading some available research which we’ve listed at the bottom of this page, we feel that recyclable plastic mailing bags and bubble wrap are the best available option.”

“We have weighed up all the options currently available and found that recyclable plastic packaging is the most sustainable option at the moment. We don’t want to use glass or metal packaging due to the amount of CO2 emissions caused by manufacturing[...]. Rather than replace one problem (plastic) with another (CO2 emissions), we want to find a truly eco friendly option and we are in the process of searching for the best alternative.”

“Lush is doing a great job on the packaging front: for creams, bottles [...] and the like, Lush uses a black plastic pot, a simple, no-frills packaging that “ensures customers pay for the ingredients inside their product, not the distractions on the outside”.”

“Muller, was – like many other consumers – fed up with the excessive quantities of plastic packaging used in supermarkets”
7. Support during disposal

- Consumers are exposed to a lot of information about how to dispose of their waste correctly.
- In trying to dispose of waste sustainably, many wonder if they are doing it right and what impact they really make.
- In addition, the impact that consumers can make heavily depends on their local waste management systems.
- Consumers feel that brands should take more responsibility for the waste created by their products.
- Ideally, brands should support consumers by accommodating easy, sustainable waste disposal options.
- E.g. through an own infrastructure (take back systems), clear and relevant disposal instructions and/or packaging design that allows for easy disposal.
“Returning your clean black pots in this way will contribute to our in-house closed loop recycling scheme, meaning we can melt down and reformulate these black pots again and again. You’ll get a fresh face mask for your troubles - and we’ll get another chance to reduce plastic landfill waste.”

“Our Garment Collecting program has been a hit since 2013. Take any unwanted clothes or textiles, by any brand and in any condition, to one of our stores. Drop your bag of old clothes in our garment collecting box near the register and receive a 15% off coupon to use toward your next purchase.”

“Manufacturers leave us little choice. If you buy a new TV for instance, it comes in layers of polythene [...] and might have bubble wrap around it. These materials become your waste to dispose of once you get the product home.”

“My friend is often left with plastic containers, trays, packaging and carrier bags that she cannot get rid of and she feels guilty about”
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Rubina Oliana
rubina.oliana@beautifullives.com

Gaby Siera
gaby.siera@beautifullives.com
Next webinar coming up first half of October

Future of food: insect based?

How can you convince food manufacturers that consumers will be open to food made of ingredients from insects in the future? With this question Protifarm, a Dutch agro-tech scale-up, approached Beautiful Lives. We helped them identify the five most important opportunities and developed a number of consumer propositions.

In this upcoming webinar we will share the outcome and its impact, together with Protifarm CEO Tom Mohrmann.