



The Consumer's View of Sustainable Packaging

Informed consumers are willing to make changes to support a circular economy

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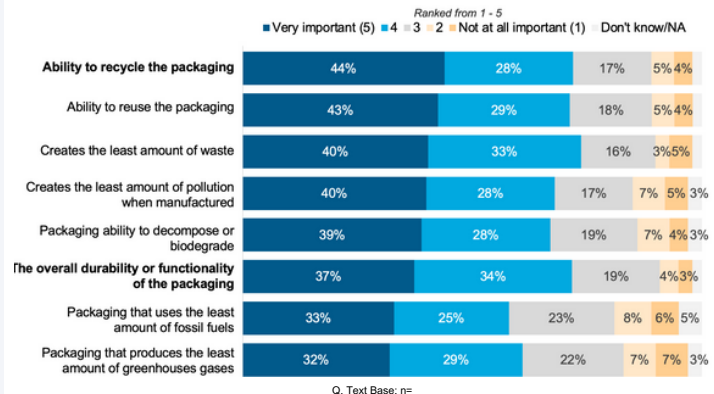
Sustainability is impacting all aspects of the consumer experience. From new materials to redesigned packaging formats, shoppers are faced with numerous options when making purchasing decisions. The recyclability of a package has become a major consideration for many consumers, influencing some individuals to choose different products or pay more for circular packaging. Despite consumers' positive outlook on recycling, we're still seeing many types of packaging materials that are being under-recycled. As the plastics industry seeks to move toward a more circular economy, what actions can be taken to increase recycling rates?

NOVA Chemicals and Schmidt Marketing Research recently surveyed 1,000 consumers in Canada and the United States, where 71% of respondents say they are recycling as much as possible. Shoppers are supportive of recycled materials, and some are willing to make changes to reduce waste, but gaps in understanding, consistency in messaging, and conflicting information overload can affect their ability to accurately judge the sustainability of packaging. The insights and other perspectives collected in this survey work to help plastic manufacturers, converters, and retailers develop better products and packaging. Most importantly, the information enables brand owners to better communicate their circular efforts to consumers, increasing the adoption of circular packages which resonates with consumers.

Perception of Packaging Materials

When asked to rank the importance of eight material attributes related to various stages of the packaging life cycle, the top three responses listed as important or very important included the ability to recycle the packaging, the least amount of waste generated, and the overall functionality. These results also suggest that while consumers value recyclability, they're not willing to sacrifice functionality, and they do understand the value packaging brings.

Importance of Packaging Material Attributes



Respondents who said they recycle frequently or occasionally were then asked how often they recycled seven types of packaging materials including different types of plastics, paper, and aluminum. Responses showed that plastic pouches were the least frequently recycled but were still estimated at 61%. Interestingly, in Canada and the United States, pouches and other flexible plastic recycling rates are in fact much lower than these self-reported estimates, conveying a gap between how consumers view their own recycling practices and the reality of recycling rates for most materials.

Consumers were also asked to rank the relevant environmental impact of each packaging material by rating the negative impact on the environment. We found that there was no correlation between materials perceived to be more negative and the estimated recycling rate. For example, while consumers reported a recycling rate of more than 75% for aluminum cans, they considered paper, cardboard and glass to be more favorable in terms of environmental impact. Rigid plastics, like milk jugs, were rated as the most negative impact to the environment. However, they have one of the highest recycling rates, similar to paper, glass, and aluminum. Consumers' views of the sustainability of different materials do not seem to be correlated to how much they recycle that type of packaging. This highlights the importance of messaging regarding the value of recycled materials. Milk jugs for example form a high value, sought after recycle stream in North America but that value is not reflected in consumer opinions.

Changing Behaviors

Alongside valuing recyclability, consumers also value recycled content. Our data found that 75% of consumers agreed that “companies should increase the use of packaging made from recycled materials.” More than a third of respondents also reported switching to a product or brand that incorporated recycled content or was labeled as recyclable packaging and provided a variety of distinct examples that mentioned shipping materials, local recycling laws, and reducing waste. To increase the incorporation of recycled

Companies should increase the use of packaging made from recycled materials.

content in packages, we need to focus on collecting recyclable materials and ensuring they are making it through the recycling process. What are consumers doing with collecting and recycling packaging as a whole? The majority of our survey respondents report participating in some type of recycling program with a negligible number reporting that they don't recycle at all. Unsurprisingly, curbside recycling pickup was listed as the most common approach. It's interesting to note that over 50% of respondents also reported frequently or occasionally dropping off materials at stores or collection centers. While this is a typical approach for paints and batteries, it does indicate familiarity with this system and supports store-drop off programs as successful components in recycling infrastructure.

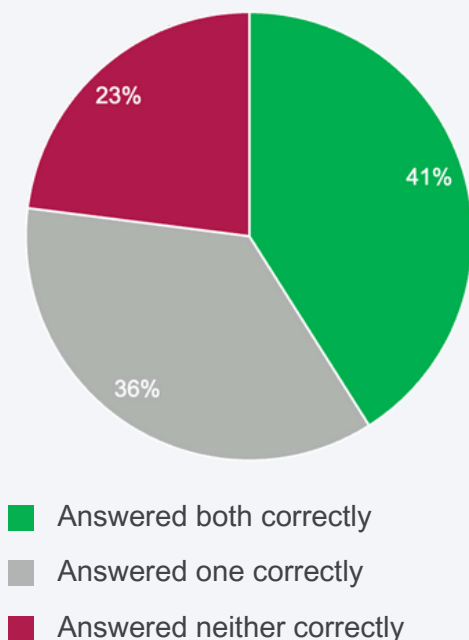


Beyond a simple interest in recycling, our participants also show a willingness to change behavior to aid in increasing recycling rates. When consumers were asked what steps they would be willing to take to ensure the recyclability of flexible plastic, additional sorting was the step they were most willing to take, with 66% responding affirmatively. Even more significantly, the second action respondents were most willing to take was switching to a product that is made with recyclable plastic. This suggests that brand owners may have an opportunity to connect with customers, retaining, and attracting new sales in order to drive a larger share of mind and wallet, via more sustainable packaging design.

Informed Consumers

While consumers can be split into various demographics, our survey found that regardless of demographic, a subset of consumers can be identified as those who are informed about sustainability-related terms and practices and are open to making changes to support circularity. This group, identified as informed consumers, is willing to switch products and take additional steps to increase recycling and reduce waste.

Ability to define “Recyclable” and/or “Contains Recycled Content”



Q28, Q29. Select the most appropriate definition for packaging that is “recyclable” / “contains recycled content.” Base: n=590

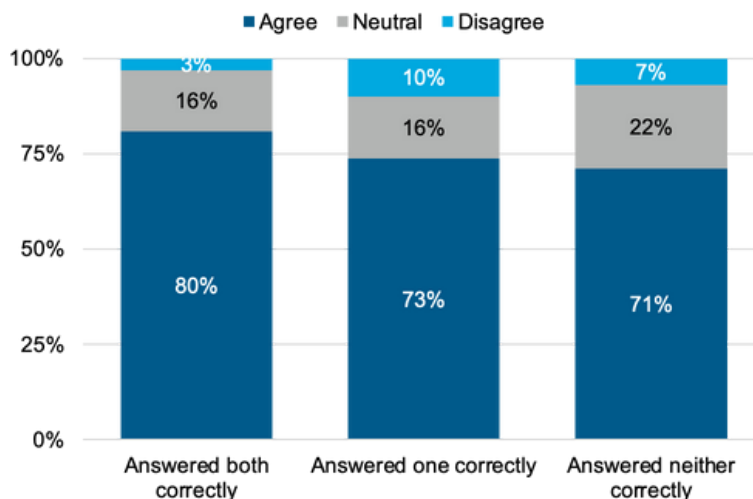


How did we identify these consumers? Understanding packaging materials and their options for reuse begins with an awareness of how sustainability terms are defined. Respondents were presented with a multiple-choice question and asked to select the appropriate definition for “recyclable” and “contains recycled content.” Four in ten consumers answered both questions correctly, while two in ten answered neither correctly. When survey responses were broken out by these two groups, the informed consumers who answered both questions correctly also consistently participated in more sustainable behaviors and showed enthusiasm for making more sustainable packaging and product choices.



The informed consumer group demonstrates an elevated interest in circular packaging. When asked whether companies should increase their use of packaging made from recycled materials, 75% of all respondents agreed. This percentage is even higher among the informed consumer group – 80% of consumers who answered both questions correctly agreed, while only 71% of consumers who answered neither question correctly, identified as disengaged consumers, agreed. Disengaged consumers were also less likely to frequently participate in curbside recycling programs.

Ability to define “Recyclable” and/or “Contains Recycled Content”



Q17. How much do you agree or disagree with the following statements? Companies should increase the use of packaging 'made from recycled materials' Base: n= Q28, Q29. Select the most appropriate definition for packaging that is "recyclable" / "contains recycled content." Base: n=590

Moving Forward

The survey data clearly shows that recycling is viewed with intense public scrutiny. There is continued pressure for brands and others across the value chain to defend the long-term life cycle of packaging, especially in plastic. It's not surprising that material recyclability and recycling practices are thus a top priority for the majority of North American consumers. While the value chain continues to invest in increasing the availability, quality, and use of recycled plastic, it must also focus on adequately communicating the value of sustainable packaging.

By segmenting consumers into discrete groups, players across the packaging supply chain can leverage this interest and right-size their solutions and messages. While informed consumers are most receptive to changes in sustainable packaging, an opportunity exists to clarify the construction and post-use instructions for packages across all consumers in order to raise the collective public understanding. In doing so, market share can be driven by innovative and sustainable brands, and behaviors and habits can be shifted in lock-step with advancing public infrastructure to drive a circular approach to packaging.

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