



SUSTAINABLE PACKAGING & *Brand Identity*

PART 3: NATIONAL BRAND INCLUSION
AND INCENTIVE



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Introduction

Consumer Packaged Goods (CPG) and Private Label Retail Packaging are challenged to balance brand messaging with required and or regulated sustainability logos and labels. In the past few years there has been an increase in sustainability and corporate social responsibility messaging which, when executed and balanced properly, can influence the purchasing decisions of customers.

As a trusted packaging partner, Quad is invited by many of our clients to participate in brand launch and brand refresh meetings that include form, material and printed brand messaging. Often, these strategy meetings will include discussions around how to best use messaging space on the package to print sustainability claims.

“Sustainable Packaging and Brand Identity Part 3: National Brand Inclusion and Incentive” continues to explore this topic, the role of consumer education, and sustainability's influence on the purchase decision. In this iteration we answer how, when leveraged properly, sustainability can drive consumer purchasing through well-known brands and incentive pieces.

Before we look at data from the third installment, the following sections summarize sustainability from a packaging perspective and what the first two studies told researchers.

A Note on Sustainability

The Sustainable Packaging Coalition clarifies what “sustainability” entails for the industry.

- Beneficial, safe and healthy for individuals and communities throughout its life cycle
- Meets market criteria for performance and cost
- Sourced, manufactured, transported and recycled using renewable energy
- Optimizes the use of renewable or recycled source materials
- Manufactured using clean production technologies and best practices
- Made from materials healthy throughout the life cycle
- Physically designed to optimize materials and energy
- Recovered effectively and used in biological and or industrial closed loop cycles

<https://sustainablepackaging.org/wp-content/uploads/2017/09/Definition-of-Sustainable-Packaging.pdf>



SUSTAINABLE PACKAGING
COALITION®



Study 1

In 2018, Quad began to explore the impact that sustainability logos and labels have on brand recall and recognition, and on the consumer experience. From this research topic, Quad and Package InSight published the first whitepaper, "Sustainable Packaging and Brand Identity: Understanding How Sustainable Messaging Influences Customer Decisions."

This study focused on a theoretical rating system. It applied a logo

to faux paperboard packages in multiple product categories found in grocery stores. Package InSight conducted the study in its Retail Laboratory, hosting 60 participants that were split into Group A and Group B. Neither had prior knowledge of the sustainability badge. **The study found that 92 percent of participants did not notice the sustainability logos** (Figure 1).

» **FIGURE 1**
Sustainability Rating
Logo Recognition



This led researchers to two firm recommendations:

1. Educate consumers on the brand's commitment to sustainability through integrated marketing, and reinforce that message by implementing more sustainable packaging methods.
2. Include sustainability messaging in a secondary location on packaging to unify the overall brand message.

Study 2

After concluding that sustainability logos and labels did not influence purchase decisions, researchers explored whether results would change if materials educated the consumer on the same sustainability logo and label before they entered the lab. Would that increase recognition? Was education the missing component?

Quad again collaborated with Package InSight for the second installment of the study, “Sustainable Packaging and Brand Identity Part 2: Consumer Education.” Part 2 evaluated 99 participants who were separated into two more groups that built on the previous study — Groups C and D. The retail shop contained five products with a sustainability logo, for both groups.

Researchers did not present Group C with the flyer beforehand, making them a control group to replicate the previous study's results. But one variable changed — Group C only saw real brands with the sustainability logo. This ruled out lack of brand recognition as having a negative effect on logo recognition in Part 1 of the study.

Group D got the flyer ahead of time, but only saw faux brands with the logo. In this case, 44% of the educated shoppers saw the logo, a significant increase. Researchers then determined that educational materials beyond the package will significantly increase a logo's effectiveness.

This led researchers to two additional recommendations:

1. Continue to educate consumers about sustainability via social media and other channels, while focusing on the package messaging.
2. Offer incentives for consumers who recycle their products, including brand loyalty programs, coupons, social media recognition, etc.

The Questions

From the results of the previous two studies, researchers identified one more way to explore sustainability logos and labels. The third study approached it within the context of national brand inclusion and incentives, asking the questions below.

1. Does placing a sustainability logo on a recognizable brand increase the visibility of the sustainability logo?
2. Does a sustainability incentive on a coupon further increase the visibility of the sustainability logo?





Our Method

Package InSight used the following methods to understand whether sustainability logos and labels on well-known brands' cartons and incentive materials influence purchase decisions:

- **Statistical Relevance** – primary research testing
- **Sustainability Logo & Educational Flyer** – information variables
- **Package Coupon Design** – product selection
- **Project Set-Up** – market categories and grouping
- **Demographics** – appropriate shopper profile
- **Eye-Tracking Technology** – measure point of gaze

Statistical Relevance

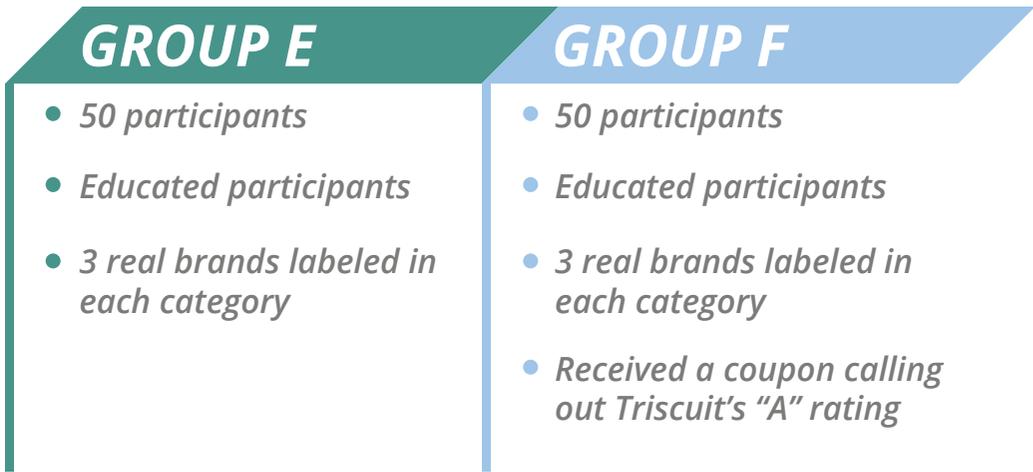
Package InSight conducted in-context, primary research at its state-of-the-art Main Street Retail Laboratory. Teams added claims to packaging for five national brands. Each product

was part of a competitive planogram where participants shopped naturally.

Studies need at least 30 participants to validate an analysis based upon the

normal distribution (t-test, ANOVA) — above this threshold, the sample size is no longer considered “small.” This research included 100 participants split into Groups E and F. See Figure 2 for reference.

» **FIGURE 2**
Participant Breakdown



Test Variables

Each category featured real brands with A, B, and C ratings, which covered every product within the entire brand. A flyer introduced the sustainability ratings via email to educate all participants

in Groups E and F the day before the study. Participants in Group F received a “coupon” the day of the study, which highlighted Triscuit’s A rating (Figure 3).

» **FIGURE 3**
Participant Coupon



Sustainability Logo & Educational Flyer

Quad and Package InSight created a logo with an accompanying grade in the first study (Figure 4). Logos implied how sustainable the packaging was. Several grocery store product categories featured the logo.

This stamp replicates an inspection or grading concept, similar to a public health department's grades for restaurants or a nutrition label. It suggests validation of that grade by a larger objective entity, in this case the fictitious Council for Sustainable Packaging.



» **FIGURE 4**
Sustainability Rating Logo



Council for Sustainable Packaging

The Council for Sustainable Packaging has recently launched a new grading system to assist consumers in making informed choices when shopping for retail goods. Sustainable Packaging meets the following criteria:

- ◆ Is beneficial, safe, and healthy for individuals and communities throughout its life cycle
- ◆ Meets market criteria for both performance and cost
- ◆ Is sourced, manufactured, transported, and recycled using renewable energy
- ◆ Optimizes the use of renewable or recycled source materials
- ◆ Is manufactured using clean production technologies and best practices
- ◆ Is made from materials that are healthy throughout the life cycle
- ◆ Is physically designed to optimize materials and energy
- ◆ Is effectively recovered and utilized in biological and/or industrial closed loop cycles

Starting in late 2018, the CSP will begin issuing the following grades for consumer goods



As an independent, objective entity, We hope this simple grading system will better inform shoppers who want to mitigate their impact on the environment when buying retail products.

Thank you! Council for Sustainable Packaging

» **FIGURE 5**
Educational Flyer

Only half of participants received the educational flyer in the previous study. Researchers gave all participants the educational flyer in Part 2 (Figure 5). The flyer said that the Council for Sustainable Packaging launched a new grading system to assist consumers in making informed decisions for retail goods.

Part 3 educated participants before they went shopping. It explored any effects national

brands would have on consumers, and whether a coupon incentive would reinforce their education.

In this case, Group F received an educational flyer and coupon incentive. Group E only received the flyer with information about sustainability logos.

Market Verticals & Study Design

Researchers chose the study's product categories from the middle of the sustainability bell curve (Figure 6).

» **FIGURE 6**
Sustainability Bell Curve



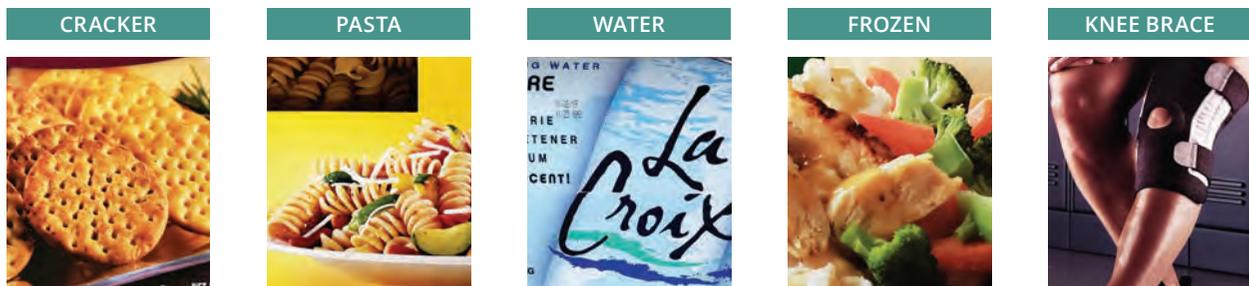
Selections intentionally stayed away from markets that consumers typically believe are more sustainable — such as organics or cleaning supplies — and those on the far end of the spectrum,

like tobacco. The study's market categories included frozen food, pasta, beverage, snack and medical supplies (Figure 7).

Project Set-Up

A total of 100 participants were split into the study's Groups E and F. For both groups, the retail shop included several name-brand products with a sustainability logo. The study only presented Group E with the educational flyer beforehand. Researchers gave Group F the flyer, plus a coupon which advertised an "A" rating for Triscuits.

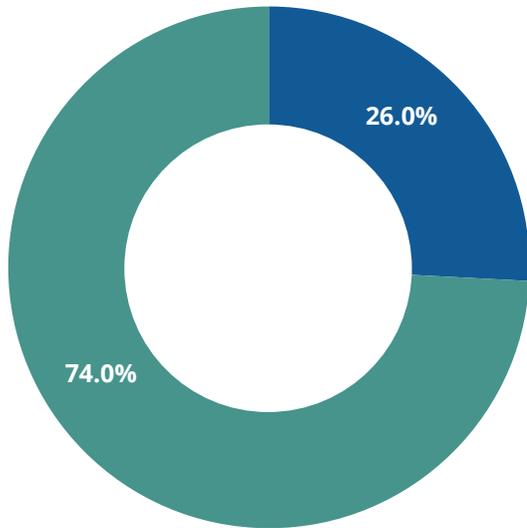
» **FIGURE 7**
Market Categories



Demographics

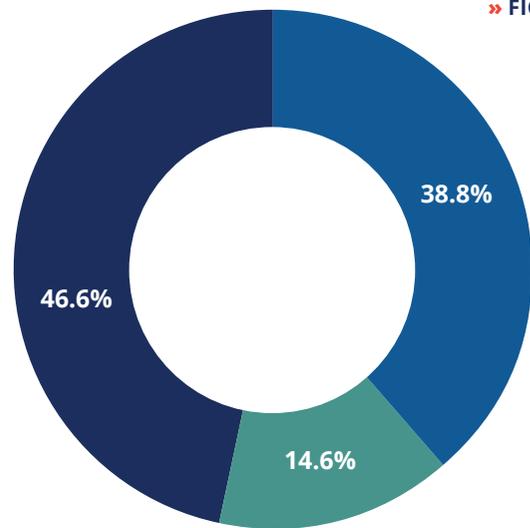
The study included participants of appropriate ages and shopping habits. Profiles met the right shopper profile for this biometric research, for primary or shared shopping responsibility in U.S. households (74/26 : female/male and broad income, education, employment, age, and other household influences, Figure 8,9).

» GENDER



● Female ● Male

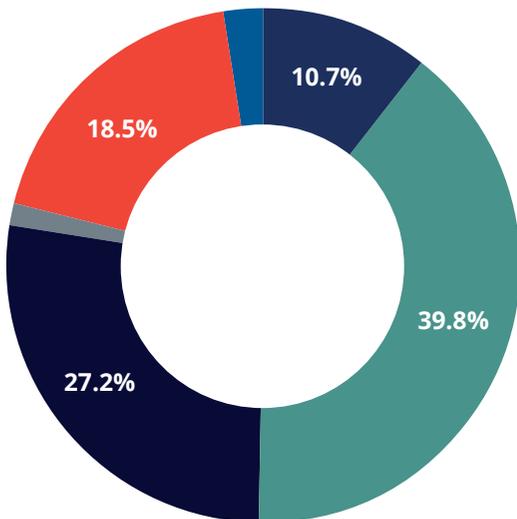
» CHILDREN



● No ● Yes, but not living at home ● Yes, living at home

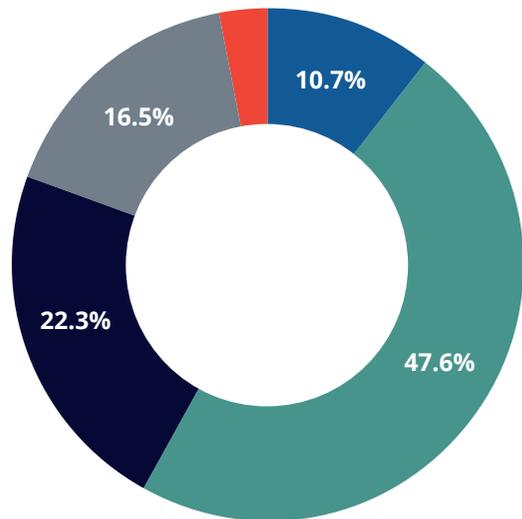
» FIGURE 8

» AGE



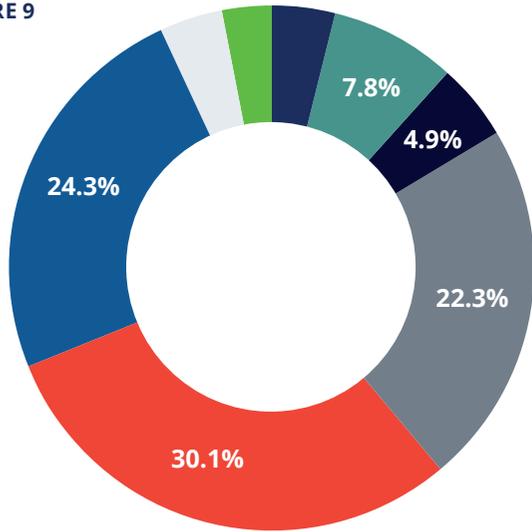
● 18-25 ● 26-34 ● 35-44 ● 45-49 ● 50-65 ● 66+

» HOUSEHOLD SIZE



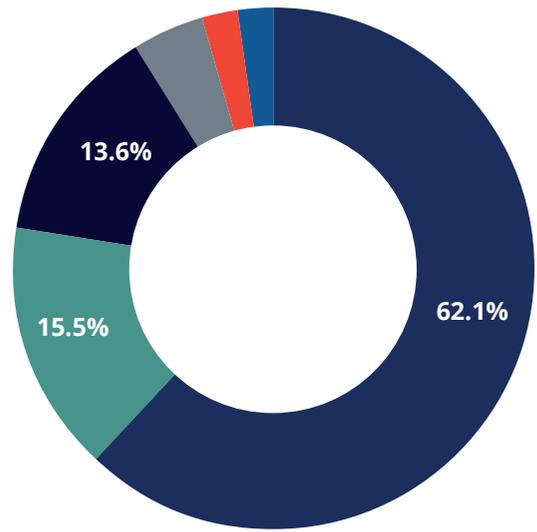
● 1 ● 2 ● 3 ● 4 ● 5 or greater

» **FIGURE 9**
» **INCOME**



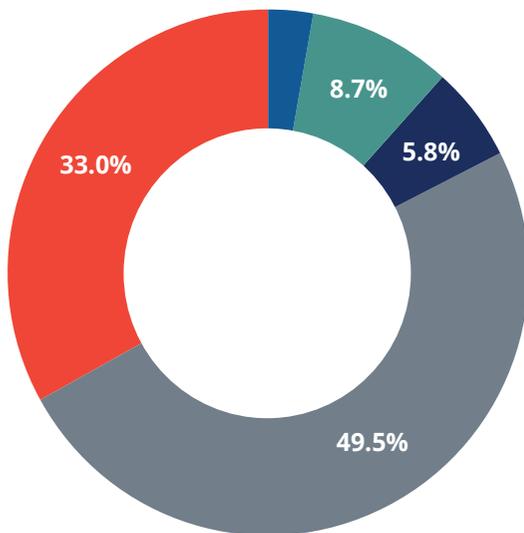
- <\$20k
- \$20k-\$34,999k
- \$35k-\$49,999k
- \$50k-\$74,999k
- \$75k-\$99,999k
- \$100k-\$149,999k
- \$150k-\$199,999k
- >\$200k

» **RELATIONSHIP**



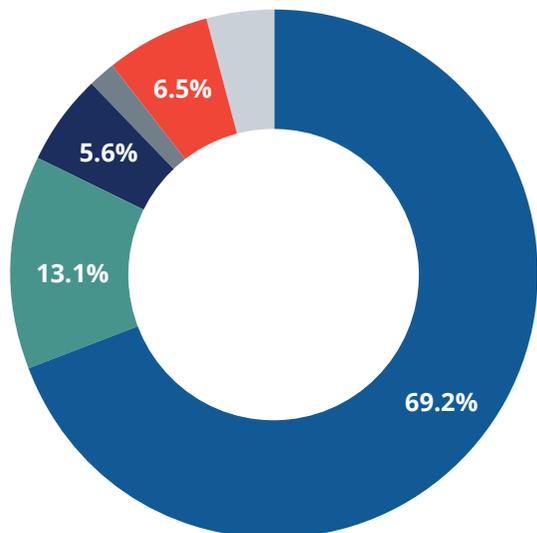
- Married
- Single, cohabitating
- Single, never married
- Divorced
- Widowed
- Domestic partnership

» **EDUCATION**



- High school degree or equivalent (GED)
- Some college, no degree
- Associate degree
- Bachelor degree
- Graduate degree (+)

» **EMPLOYMENT**



- Full time
- Part time
- Retired
- Not employed, looking for work
- Not employed, not looking for work
- Stay at home parent

Eye-Tracking Technology

“Eye-tracking” describes the techniques that measure a person’s point of gaze, providing insight into what attracts an observer’s attention and cognitive processes. The technology follows the subject’s eye, tracking their exact eye movements while looking at an object or area. It precisely identifies where a person looks on packages. Even though the subject may not be aware of how their gaze moves about and focuses on different areas, researchers collect

eye-tracking information and draw conclusions about different areas of interest on the package, even when the subject isn’t aware of how their gaze moves and focuses. Packaging designers aggregate the data to show which areas of the package attract the most attention and, of equal importance, where attention is void.

Eye-tracking is critical because 90 percent of consumers will make their purchase decision after looking at only

the front of a package. And 85 percent of these consumers will purchase an item without picking up any competitive products. People buy with their eyes. This indicates that visual stimuli at the point of sale will influence the consumer’s decision to purchase.



In order to differentiate and maintain relevancy with market demands, designers and product developers use eye-tracking to analyze how consumers shop within the grocery store. This differentiates and maintains relevance for what the market demands.

Research findings will reference the metrics below:

Purchase Decision (PD)

- Measures how many participants chose to buy the item. **The higher the number, the better the package performed.**

Total Fixation Duration (TFD)

- The average time, in seconds, spent by participants fixating on this item. **The higher the number, the better the package performed.**

Time To First Fixation (TFFF)

- The average time, in seconds, from when a product first enters a participant’s field of view until they fixate on it. **The lower the number, the better the package performed.**

Fixation Count (FC)

- The total number of times a participant’s scan of the planogram crossed into a particular area of interest.



Findings

This study identified two positive, significant conclusions. The first centers on national brand inclusion — how successful sustainability logos and labels on well-known brands are. The other is for incentives — promoting sustainability with offers that are already integrated, like a coupon.

NATIONAL BRAND INCLUSION

Consumers recalled SKUs with the sustainable packaging logo 10-30% more in every product category when the consumers were educated on the logo beforehand, and when national brands were part of the study. Additionally, well-known products with a lower sustainability rating left 30% of consumers “guilty,” “sad” and “disappointed,” which led them to change their purchase decision.

Logos and labels have powerful potential for brands to differentiate themselves through packaging, and to build trust with their customer base.



INCENTIVES

Coupons that directly promoted sustainability increased how many participants noticed and bought those products by 20%. This study suggests that brands could add incentives to existing promotion of sustainability practices to improve ROI across channels.

Brand buy-in is another major component for success, according to this study's results. Visual attention increased when more SKUs on a shelf featured sustainability badges. Education on sustainability ratings prior to testing, followed by reminders on coupons increased attention, recall and purchase. In some cases, consumers changed their minds when they saw a lower-than-expected rating on items they regularly purchased. Without brand buy-in and education, the study might have yielded

results that reflected consumer apathy, as was the case in Part 1 of the study.

Consumers generally want to be better stewards of the planet. And they prefer to support companies who share those values. These studies indicate that consumers are open to the idea of a real sustainability rating program. But only if brands get on board and actively work for those ratings, supported with education and incentives.

Comparing Iterations

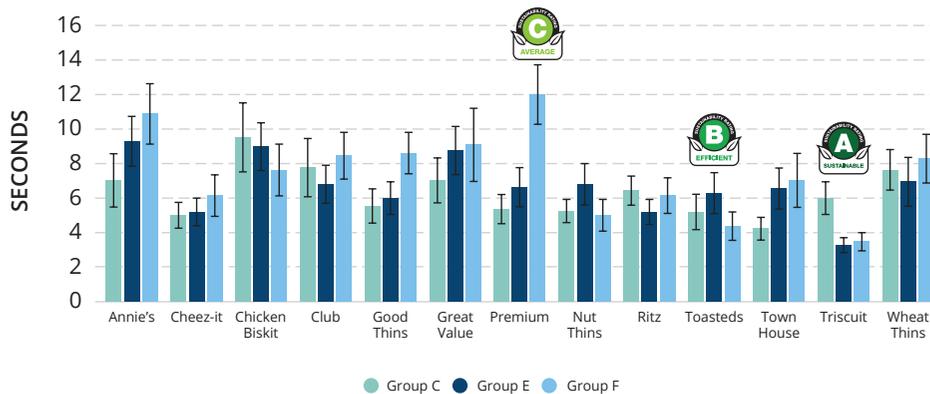
Lower TTFF is better performing

Time to First Fixation

RESULTS BY BRAND

TTFF for rated products improved significantly over the same products in Group C (unrated). But they were inconsistent across the different product types. For this reason, there is no definitive evidence that the sustainability ratings themselves increased the time it took to find all rated products.

TIME TO FIRST FIXATION CRACKER

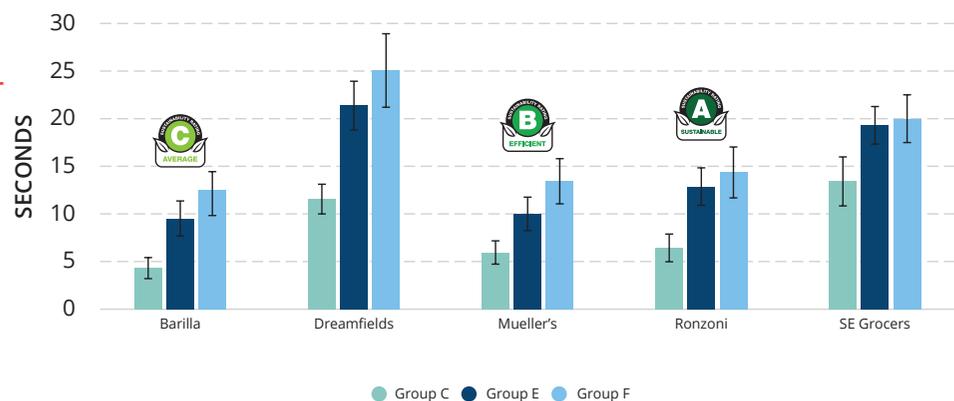


» FIGURE 10

Triscuit (with "A" rating sticker) was seen significantly quicker by Group E and Group F than by Group C at a 95% confidence interval

Premium (with "C" rating sticker in E and F) was seen significantly quicker by Group C and Group E than in Group F at a 95% confidence interval

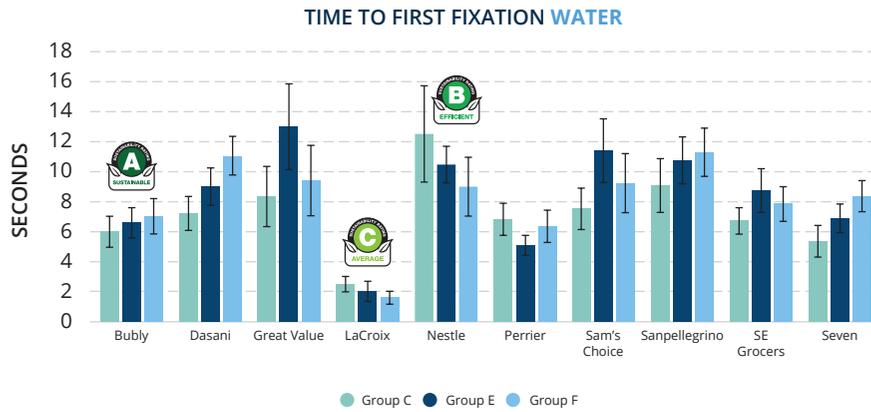
TIME TO FIRST FIXATION PASTA



» FIGURE 11

Sustainability ratings did not improve time-to-find for any pasta brand.

All of the brands were focused on significantly faster by Group C than by Groups E or F

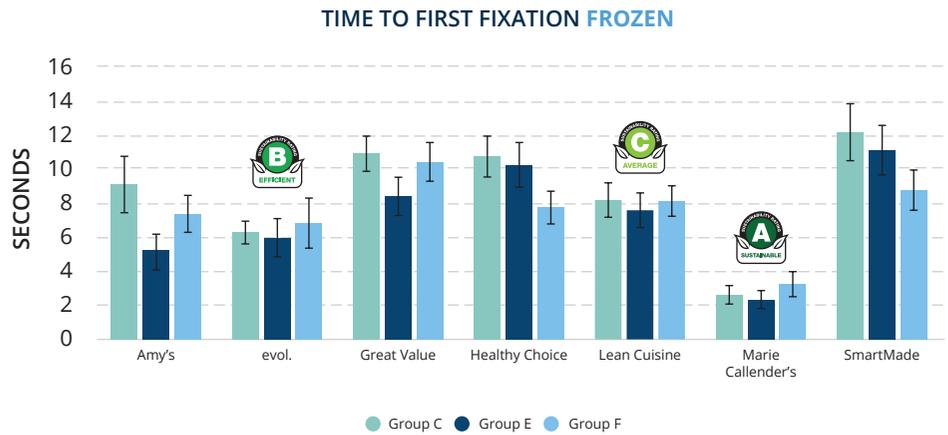


» **FIGURE 12**

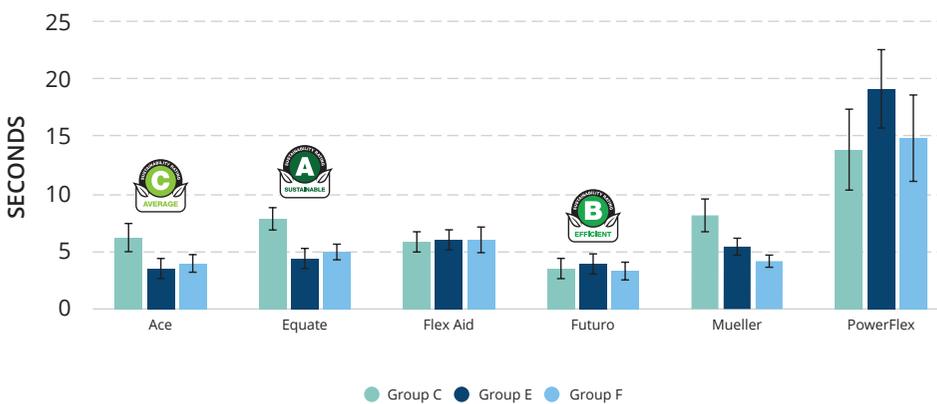
Both **LaCroix** and **Nestle** were focused on quicker by Groups E and F, but not significantly so

» **FIGURE 13**

Only **Amy's** (a non-rated brand) was seen significantly quicker by Group E than in Group C at a 95% confidence interval



TIME TO FIRST FIXATION KNEE BRACE



» **FIGURE 14**

Ace and **Equate** were seen significantly quicker in Group E than in Group C at a 95% confidence interval.

Ace, **Equate** and **Mueller** were seen significantly quicker in Group F than in Group C at a 95% confidence interval

Comparing Iterations

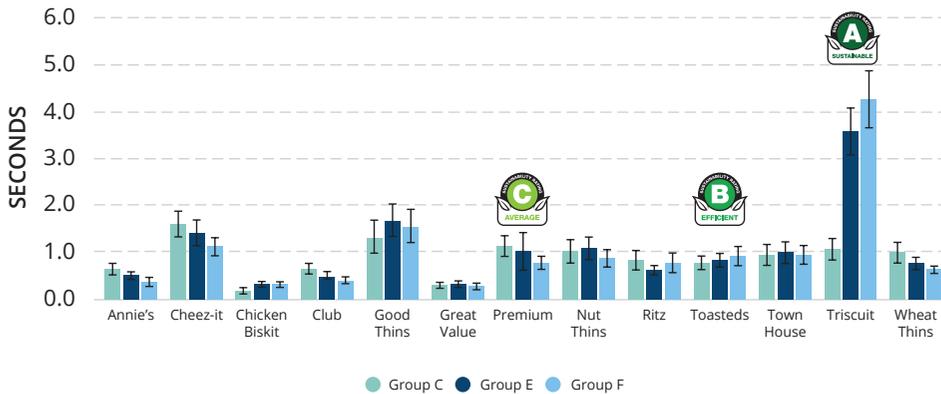
Higher TFD is better performing

Total Fixation Duration

RESULTS BY BRAND

There were several significant improvements in TFD for rated products over the same goods in group C (unrated). Triscuits showed a significant jump in duration when accompanied by the rating. But there weren't significant differences in Group F for those who received the coupon versus the group who did not. Frozen food was the only product group without a significant TFD increase.

TOTAL FIXATION DURATION CRACKER



» FIGURE 15

TFD for **Toasteds** (with "B" rating sticker) increased steadily from Group C to Group F

TFD for **Premium** (with "C" rating sticker) decreased steadily from Group C to Group F

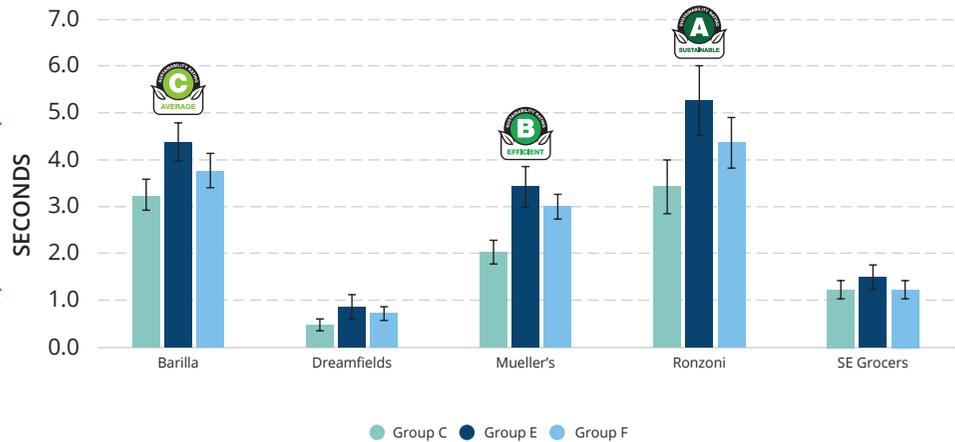
» FIGURE 16

Mueller's (with "B" rating sticker) was looked at significantly longer by Group E and Group F than in Group C at a 95% confidence interval

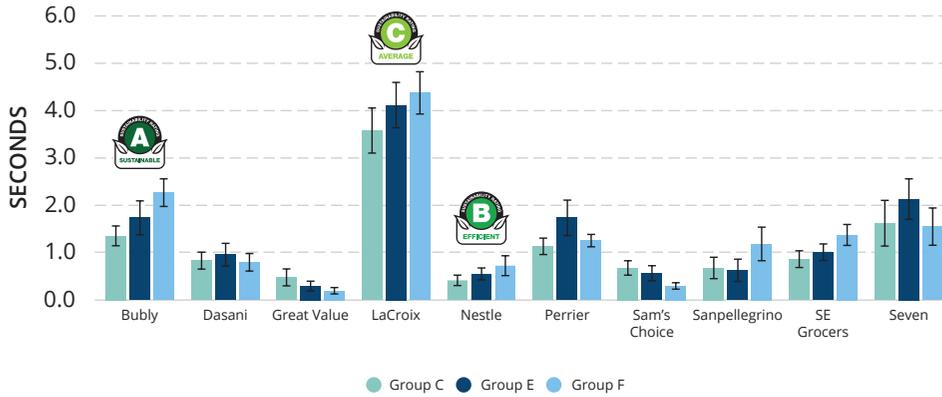
Ronzoni (with "A" rating sticker) and **Dreamfields** were looked at significantly longer in Group E than in Group C at a 95% confidence interval

Barilla (with "C" rating sticker) was looked at significantly longer in Group E than in Group C at a 90% confidence interval

TOTAL FIXATION DURATION PASTA



TOTAL FIXATION DURATION WATER



» FIGURE 17

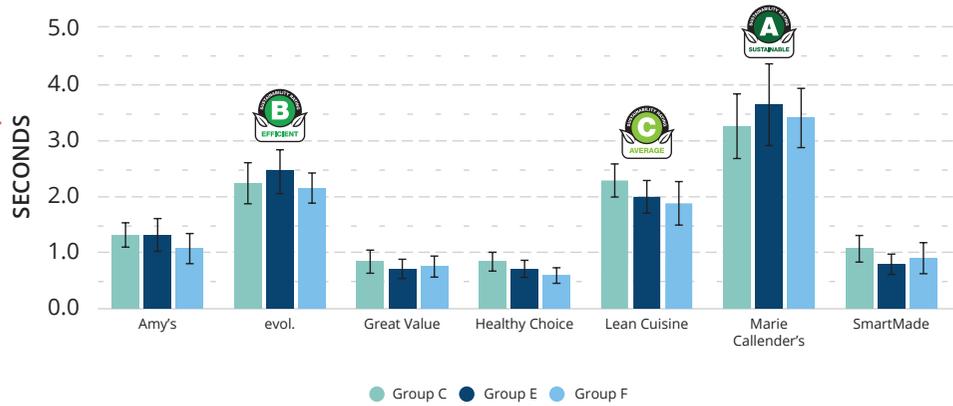
Bubly (with "A" rating sticker) was looked at significantly longer by Group F than by Group C at a 95% confidence interval

Sam's Choice (with no rating) was looked at significantly longer in Group C than in Group F at a 95% confidence interval

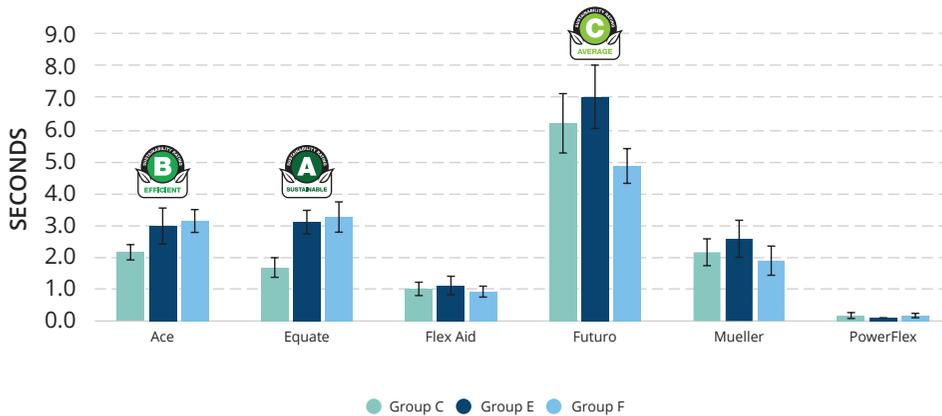
» FIGURE 18

There were no significant differences when comparing each brand in group C, E, and F at 90% confidence interval

TOTAL FIXATION DURATION FROZEN



TOTAL FIXATION DURATION KNEE BRACE



» FIGURE 19

Equate (with "A" rating sticker) was looked at significantly longer in Group E than in Group C at a 95% confidence interval

Ace and **Equate** were looked at significantly longer in Group F than in Group C at a 95% confidence interval

Comparing Iterations

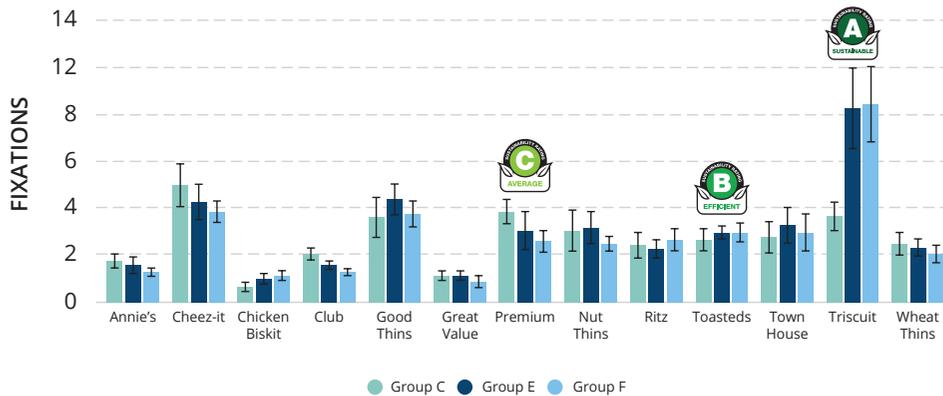
Higher FC is better performing

Fixation Count

RESULTS BY BRAND

The FC results were very much aligned with the TFD metric. Several brands experienced significantly increased moments of fixation with the addition of the sustainability ratings. Triscuits, once again, benefitted the most.

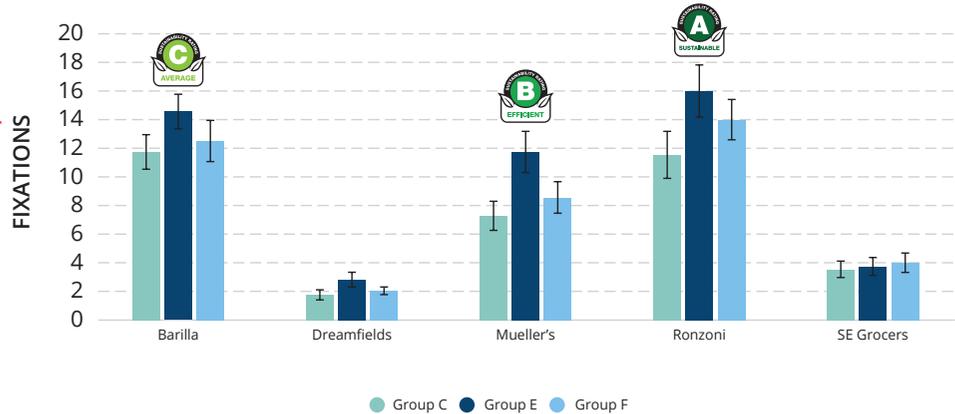
FIXATION COUNT CRACKER



» FIGURE 20

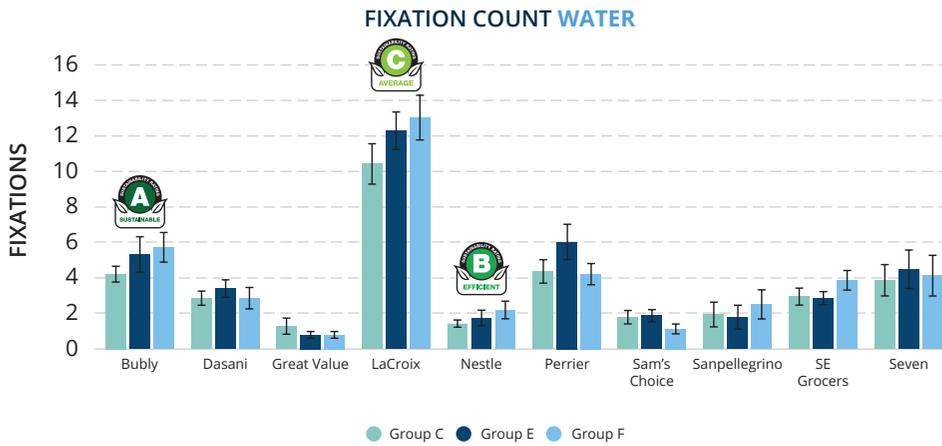
Triscuit was seen significantly more times by Group E and Group F than by Group C at a 95% confidence interval

FIXATION COUNT PASTA



» FIGURE 21

Mueller's and Dreamfields were seen significantly more times by Group E than by Group C at a 95% confidence interval

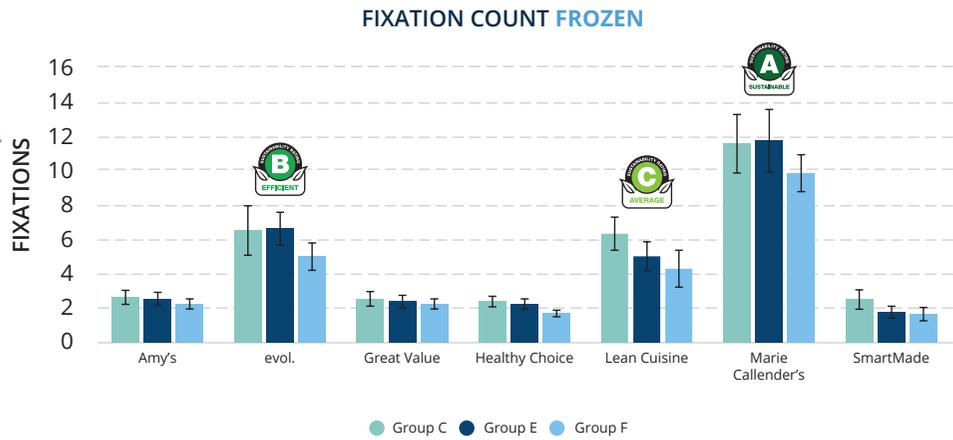


» **FIGURE 22**

While fixation count increased for all three of the rated brands, **Bubly** was looked at significantly more times in Group F and in Group C at a 90% confidence interval

» **FIGURE 23**

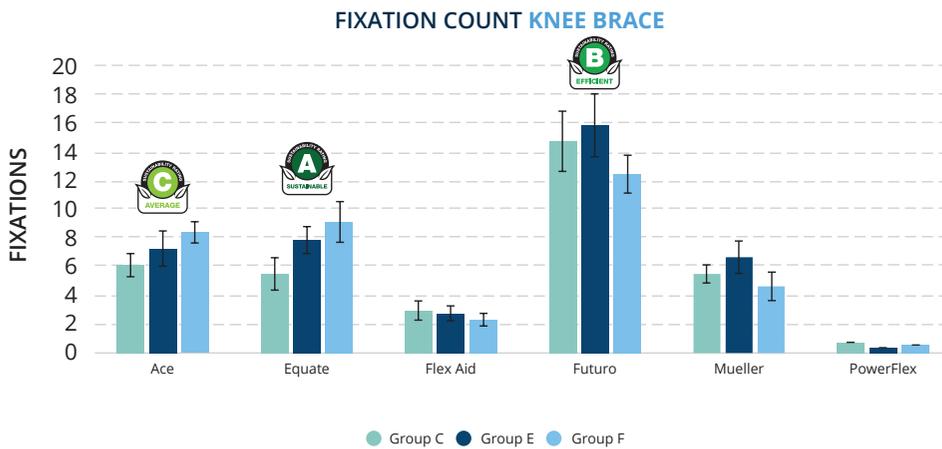
Lean Cuisine (with "C" rating sticker) was seen significantly more times in Group C than in Group F at a 90% confidence interval



» **FIGURE 24**

Equate was seen significantly more times in Group F than in Group C at a 95% confidence interval

Ace was seen significantly more times in Group F than in Group C at a 90% confidence interval

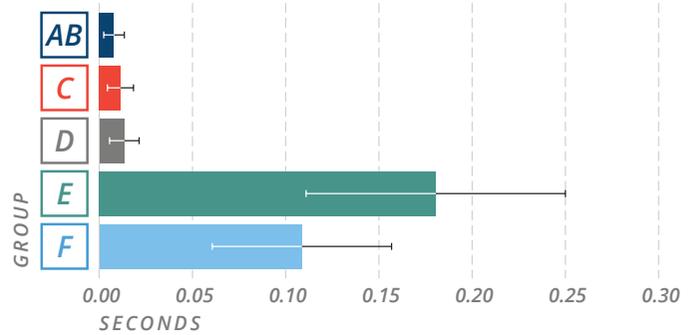


Total Fixation Duration

STUDY GROUP RESULTS

Higher TFD is better performing

TOTAL FIXATION DURATION CRACKER

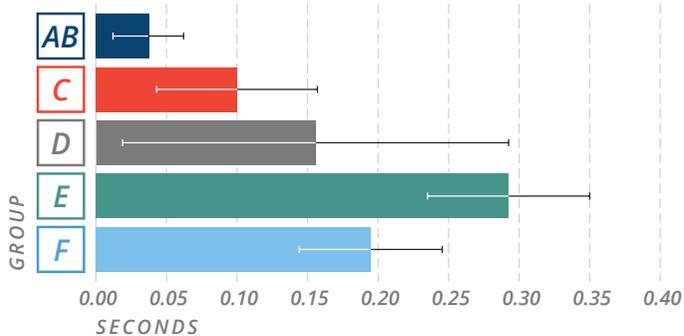


» FIGURE 25

Group E looked at the badge statistically longer than all the prior groups at a 95% confidence interval

Group F looked at the badge statistically longer than Group AB at a 95% confidence level and longer than Group C and Group D at a 90% confidence interval

TOTAL FIXATION DURATION PASTA

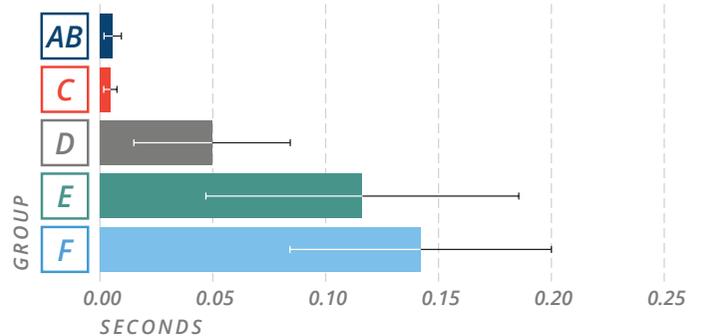


» FIGURE 26

Group E looked at the badge statistically longer than Group AB and Group C at a 95% confidence interval

Group F looked at the badge statistically longer than Group AB at a 95% confidence interval

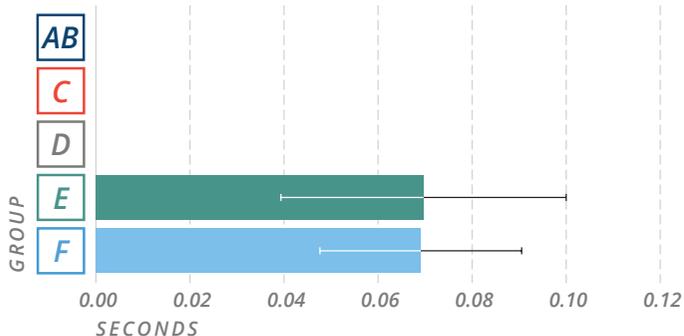
TOTAL FIXATION DURATION WATER



» FIGURE 27

Group E and Group F looked at the badge statistically longer than Group AB and Group C at a 95% confidence interval

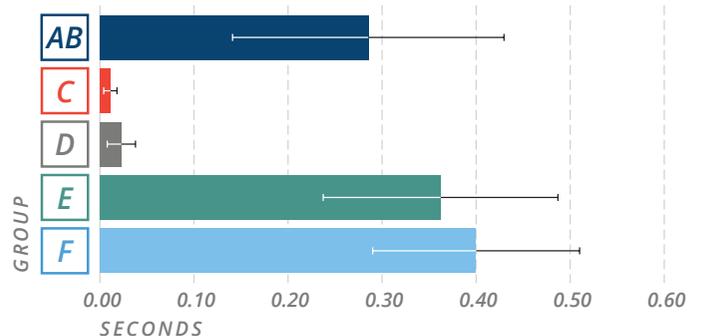
TOTAL FIXATION DURATION FROZEN



» FIGURE 28

Group E and Group F looked at the badge statistically longer than Groups AB, C, and D at a 95% confidence interval

TOTAL FIXATION DURATION KNEE BRACE



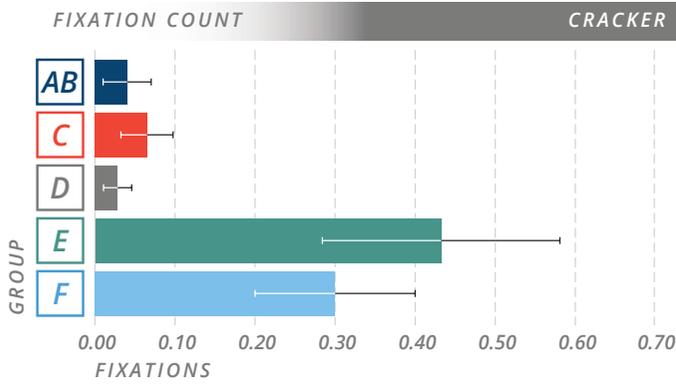
» FIGURE 29

Groups E and Group F looked at the badge statistically longer than Group C and Group D at a 95% confidence interval

Fixation Count

STUDY GROUP RESULTS

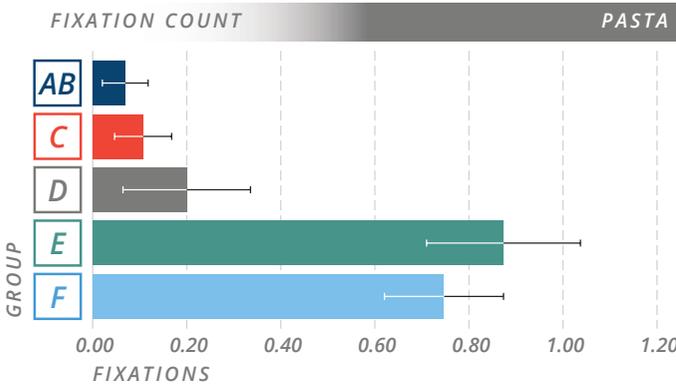
Higher FC is better performing



» FIGURE 30

Group E looked at the badge statistically more times than all the prior groups at a 95% confidence interval

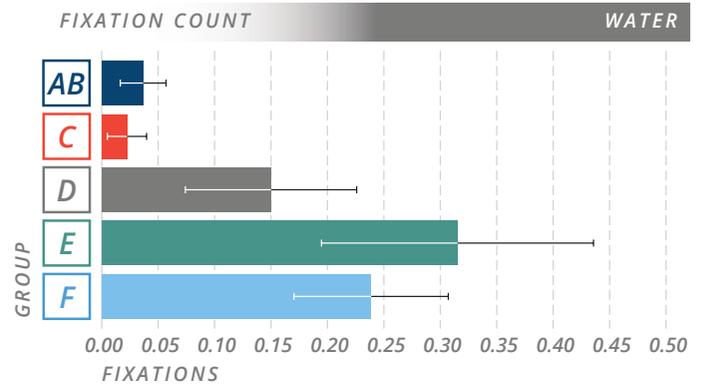
Group F looked at the badge statistically more times than Groups AB, C, and D at a 95% confidence interval



» FIGURE 31

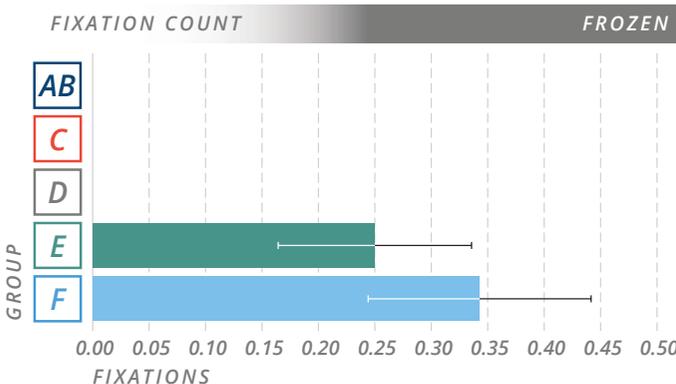
Group E looked at the badge statistically more times than all the prior groups at a 95% confidence interval

Group F looked at the badge statistically more times than Groups AB, C, and D at a 95% confidence interval



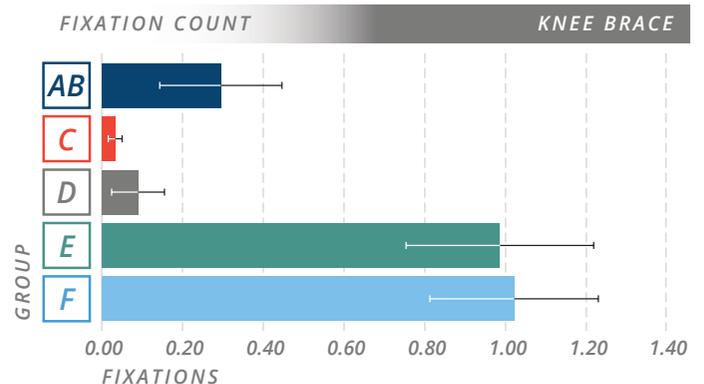
» FIGURE 32

Group E and Group F looked at the badge statistically more times than Group AB and Group C at a 95% confidence interval



» FIGURE 33

Group E and Group F looked at the badge statistically more times than Groups AB, C, and D at a 95% confidence interval



» FIGURE 34

Group AB looked at the badge statistically more times than Group C at a 95% confidence interval

Groups E and F looked at the badge statistically more times than Groups AB, C, and D at a 95% confidence interval



Where do these studies go next?

This investigation piqued some interest, triggering free-text response requests for more education:

- 1. What exactly do the ratings mean?*
- 2. How are products rated?*
- 3. How different are products with an "A" and "C" rating?*

Almost 40% of the study's participants used the words **"price," "pricing," "cost"** or **"expensive"** when explaining their purchase consideration.

Many consumers assume that sustainability automatically increases price. This study shows that incentive programs like coupons can dispel that notion and drive them toward sustainable products.



Recommendation

OVERALL RECOMMENDATION

Sustainability logos and labels need standardization, and education like those that promote established systems like nutrition facts or “How 2 Recycle” labels. Coordinated industry programs will help consumers take the claims seriously, and seek out meaningful, valuable information.

Large companies can use coupons, ads, box design and other marketing tactics already in place to promote sustainability in a way that is cost effective and increases revenue. Strategic multichannel programs get a greater return than standalone initiatives.

Questions

- 1. Does Quad start to partner with couponing groups to layer in sustainability?*
- 2. Do these results put us at a point where we pitch this to SPC-like programs in the past, such as the “How 2 Recycle” label?*

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