

Linear versus circular: differentiation factors in customer value propositions of reusable packaging

Päivi Petänen, VTT Technical Research Centre of Finland

Erwan Mouazan, University of Vaasa, Finland

Henna Sundqvist, VTT Technical Research Centre of Finland

Hannu Makkonen, University of Vaasa, Finland

Background and purpose of the research

- **Circular reusable packaging** solutions have emerged to tackle the environmental sustainability problems of **linear single-use packaging**.
 - Reuse can result in increased usage level and longer lifecycle for materials and resources.
 - However, single-use packaging is currently dominant in the market, and consumers need to be motivated to choose reusable packaging options instead of single-use.
- **Companies need to differentiate the reusable packaging options through their strategic marketing actions. How is this done?**

The research questions

What kind of contrasts between linear and circular models do companies highlight in marketing in the context of reusable packaging?

How can these differentiation factors be managed?

Theoretical frame for the study

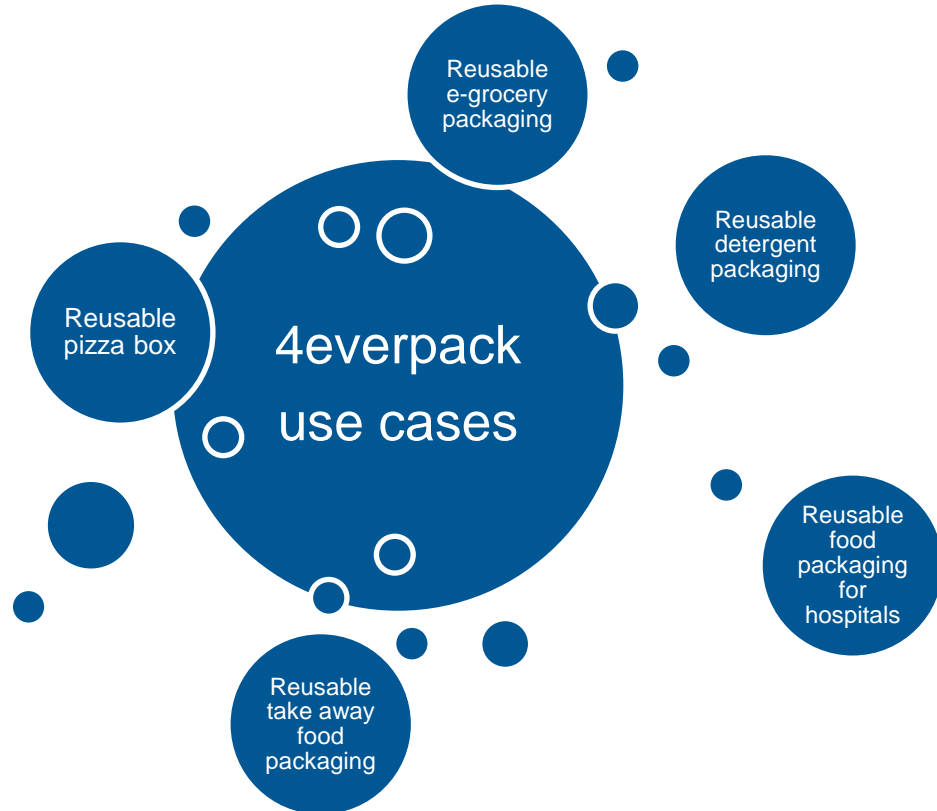
- The study focuses on **Customer value propositions** (CVPs) as a lens to explore the differentiation factors of reusable packaging.
- CVPs are strategic marketing tools that articulate superior customer value the company can offer to differentiate in the market in comparison to competing alternatives.
- This study explores CVPs according to four dimensions of reflected value:
 - **Economic**: factors that focus on the **price**
 - **Functional**: factors that focus on the **solution**
 - **Emotional**: factors that focus on the **experience**
 - **Symbolic**: factors that focus on the **meaning**

Method: qualitative multiple-case study

- We investigated **five reusable packaging cases** in the fast-moving consumer goods context.
- Multiple actors in the reusable packaging value chain were included:
 - Fast-moving consumer goods brands
 - Restaurants
 - Retail
 - Public sector
 - Re-use operators
 - Packaging materials providers
- Altogether **14 companies from Finland** were included in the case study.
- The data was collected by conducting 13 company interviews and 15 company workshops.

Research project and examined use-cases

- The study was conducted in **4everpack research project** during 8/21-9/23, which focuses on developing and examining reusable packaging options in Finland.



Dimension of CVP	Differentiation factors of reusable packaging in comparison to single-use packaging	Management opportunities
Economic	Cost distribution or allocation across multiple use cycles vs. costs allocated in a single use cycle	Validating the economic customer incentives by employing deposit systems or discounts
Functional	Participative customer role in the reuse process vs. more passive customer role in single-use	Enhancing system convenience by enabling take-back logistics
Emotional	Enhanced sustainable consumption practices vs. non-sustainable consumption practices	Validating the sustainability impacts by including tracking systems
Symbolic	Emerging sustainable consumption communities vs. conventional consumption (“mainstream”)	Enhancing customer status and self-image facets by communicating the novelty and sustainability orientation of the offering

bey⁰nd

the obvious

Päivi Petänen
Research Scientist
Sustainable business
paivi.petanen@vtt.fi