

Consumer shift towards sustainability – The Australian packaging market is going green ... or is it?

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Andrew Licata, Lecturer, Australian Institute of Business

Packaging is a powerful tool for marketers as it not only attracts consumer attention but can also influence their purchase decisions. The primary purpose of food packaging is to protect, preserve and facilitate the handling of products. From a marketing perspective, packaging can generate added value for products in terms of communicating brand identity and product positioning using the sensory elements of colour, shape, size, and images to stimulate consumer sentiment.

In an over stimulated supermarket environment, where a consumer may [pass up to 300 products per minute](#), sensory stimulation is a strategic and tactical tool designed to break through the competitive clutter. The selection of supermarket products is also determined by non-sensory packaging elements such as convenience and packaging materials. Australia's love of convenience is a significant influencing factor in the consumer decision making process, but this does come with an environmental cost.

The Australian packaging market is set to witness a [compound annual growth rate of 1.7% from 47.6 billion units in 2021 to 51.9 billion units in 2026](#). Australian consumers are increasingly concerned with the [environment, sustainability, and ethics](#) associated with the production of packaging. These concerns have seen a rising trend towards using greener solutions in packaging supplies.

Green marketing refers to the practice of developing and advertising products based on their real or perceived environmental sustainability. In previous years, green marketing was something only forward-thinking businesses emphasised but in future years, it will likely become the norm. Green marketing solutions in packaging are a response to the perceived excess impact that waste is having on the planet, which is of increasing importance to consumers. Manufacturers of packaging are responding by replacing traditional plastic and non-recyclables with eco-friendly natural materials such as recycled cardboard and paper, biodegradable plastic, and organics such as seaweed products. Furthermore, [many consumers are willing to pay more for products that are sourced ethically](#), with a sustainable footprint, but they do expect transparency.

Greenwashing is when a company makes false claims about its positive environmental endeavours. An investigation into the practice found that some big-name companies are making greenwash claims with little proof about how the products address the crisis in packaging pollution. [George Harding-Rolls, campaign manager at Changing Markets Foundations](#), said: "Our latest investigation exposes a litany of misleading claims from household names consumers should be able to trust. This is just the tip of the iceberg, and it is of crucial importance that regulators take this issue seriously".

The investigation identified Coca Cola as a company that has made claims that it has invested heavily in developing bottles that contain 25% marine plastic but makes no reference to [its reputation as being the worlds biggest plastic polluter](#). Other global players such as Unilever and Proctor & Gamble are also mentioned in the report. These examples suggest some brands are promoting that their packaging materials are better for the environment when they are actually difficult to recycle or not recyclable at all. [Sian Sutherland, a Plastic Planet co-founder](#), said "Brands have been exploiting this over recent years, pretending that the problem is being fixed when actually it is getting worse, with plastic production set to treble by 2040".

In Australia, packaging is ubiquitous in our daily lives. Australians [throw away around 1.9 million tonnes of packaging each year](#) – in addition to the soil, water and air that disposed packaging pollutes (enough to fill the Melbourne Cricket Ground nine times over), packaging also uses a large quantity of energy and natural resources. According to a Global Data report, the primary user of packaging materials, accounting for a 38.8% share in 2021 is the food industry.

In Australia, growing environmental awareness is leading consumers to switch to sustainable packaging formats. Consumers are steadily drifting away from unsustainable products and actively dropping brands who don't meet their eco-preferences. A Toluna survey identified that [82% of Australians value sustainable packaging](#). However, the evidence suggests that younger consumers are more likely to abandon a brand that does not meet their sustainability expectations. The following table illustrates the ages of consumers that stopped using a brand in the last 6 months due to sustainability concerns.

18 to 34 years	25%
35 to 54 years	21%
55+ years	9%

In relation to food, [69% of Australians](#) believe food providers should improve their sustainability choices for home deliveries. When ordering takeaway or home delivered food, a single meal often arrives in a few different plastic containers, with plastic cutlery and containers carrying sauces (that may not even be used). The food is often wrapped in a flimsy plastic bag and most of the packaging included is only useful for a few minutes before it joins the scrap heap.

In view of changing consumer sentiment, it is reasonable to assume that Australian food providers that don't use recyclable packaging may feel the pressure from consumers. However, in Australia, government legislation has been implemented to ensure a shift toward eco-friendly natural materials in the form of [Australia's 2025 National Packaging Targets](#). The highlights of this sustainable pathway include the implementation of 100% reusable, recyclable or compostable packaging, and that 70% of plastic packaging is recycled or composted. This strategy will also see the phase-out of problematic and unnecessary single-use plastics packaging.

The jury is still out on whether greenwashing will be an ongoing concern but one can expect that any organisations that make 'green' claims should ensure their claims are sound and appropriately substantiated, not just because it now [a legal requirement](#), but it is also an ethical obligation. Of course, not all companies are involved in greenwashing. Some product packaging is genuinely green but some of these have not yet hit Australian shores.

A new emerging trend in the global food industry is towards reusable and returnable packaging. [Deliver Zero](#) is an emerging online delivery provider that encourages restaurants to put food in reusable containers. Customers can drop off used containers at any outlet in the Deliver Zero network. When the containers are returned, the recipient restaurant wash the vessels and they are put back into circulation.

Other trends that are on the horizon include green alternatives such as mushroom packaging, or materials made from paper, corn-starch, sugarcane, and more. From swapping plastic straws for bamboo to using 100 percent biodegradable takeaway bags, there are many simple and cost-effective ways many businesses have already reduced their environmental footprint.

It is ultimately up to the individual consumer to find out which food outlets have already switched away from unsustainable to more sustainable options. However, based on growing consumer sentiment and regulated government legislation, it makes good marketing sense for Australian food providers to avoid green washing and to genuinely improve packaging efficiencies and reduce waste.



Andrew Licata

Lecturer, AIB

Andrew is an accomplished marketing professional with over 20 years' teaching experience in Australian and International higher education institutions. He has delivered various courses in postgraduate and undergraduate levels including marketing management, consumer behaviour, services marketing, digital marketing, and integrated marketing communications.