

LOOP's Brings Reusable Packaging to World's Biggest Brands

LOOP, launched in January 2019 at the World Economic Forum in Davos, Switzerland, as an amassed a blue-chip roster of companies, all of which are piloting a new system of high-quality packaging that can be returned and refilled again and again. In essence, it changes the ownership model of packaging from consumer to producer. The big question is, will consumers buy into it?



Loop is the natural progression of that model, as well as the corporate relationships TerraCycle developed over the years. Its Loop partners include Procter & Gamble, Nestlé, PepsiCo, Unilever, Mars, Clorox, Coca-Cola, Mondelēz, Danone and a dozen or so smaller brands. European retailer Carrefour, logistics company UPS and resource management company Suez are also engaged in the system. The service will launch this spring in two markets: Ile-de-France, the region in north-central France surrounding Paris; and the New York region, which includes parts of Pennsylvania and New Jersey. Initially, about 300 products will be available in durable, reusable containers, many created especially for Loop.

Loop brings back the old 'milkman model,' where products are delivered to your door at the same time empties are picked up, washed, refilled and readied for delivery to another customer.

Loop initially will be an e-commerce play. Consumers can order goods from the Loop website or that of a partner and have them delivered like traditional products ordered online. But there's a twist: Customers pay a small deposit for a package that has been designed for 100 or more use-cycles. When the container is empty, customers place it in a specially designed tote for pickup or, in some cases, can bring it to a retailer. They can choose whether they want that product replenished; if not, their deposit is returned or credited to their account. The empties are sent to a facility where they are washed and refilled.

With Loop, consumers put empties in a tote or other Loop-provided receptacle, which is picked up via UPS or another carrier, or dropped off at a retail partner," explains Szaky. "There's no washing, no cleaning required. Just like a disposable object, you throw it back into one of those durable shipping containers you would've received from us." Szaky envisions a "reuse bin" eventually showing up in homes alongside garbage and recycling bins. "And when we pick up, you have the option to have it set to auto-replenish, so that you can actually make your shopping even easier, because

your empties trigger your re-orders.” Part of the magic of Loop is reusable packaging, designed in partnership with the brand owners to be not just durable, but “counter-worthy” — attractive enough to keep in plain view, in the words of Virginie Helias, vice president and chief sustainability officer at Procter & Gamble. “You want to show it to your friends.”

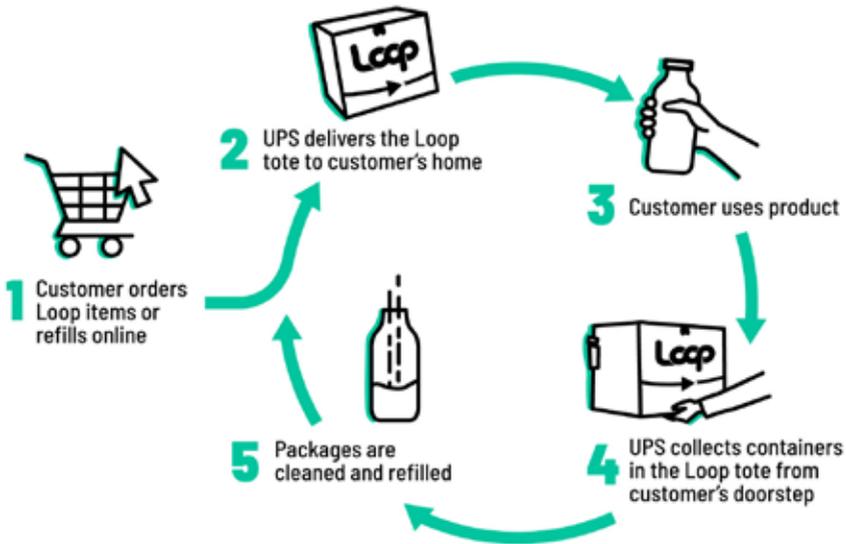
For P&G, that meant designing new packaging for the Loop platform.

In some cases, inventing new products altogether. Procter & Gamble, Loop’s biggest partner, which also owns a 2

percent stake in the enterprise, has tapped into 10 of its most iconic brands as part of the Loop launch, including Ariel, Cascade, Crest, Febreze, Gillette, Pantene, Pampers and Tide. While Unilever, another Loop launch partner, is putting nine of its brands into the Loop platform, including Rexona, Dove and Axe deodorants; Signal toothpaste; and Hellmann’s mayonnaise.

Will consumers buy in?

No doubt, Loop is a well-designed system with a compelling offering and a powerhouse line-up of brands. But one key question remains: Will consumers buy in to reuse? Unilever’s Blanchard “We think



that about 25 percent of consumers today are looking to buy brands that have a more sustainable footprint or clearly have a purpose that resonates with them from a broad environmental sustainable purpose point of view.

Then, there's probably another 50 percent of consumers who are then increasingly looking for brands to have that point of view or that sustainable footprint."

One of the key components of the Loop circular shopping platform is the transportation logistics that enable the products to be delivered to the consumer's doorstep and the packaging to be picked up and returned to TerraCycle for cleaning. Since mid-2017, long-time TerraCycle partner UPS has been involved both with the design and testing of the Loop Tote as well as testing primary package designs for e-commerce shipment.

According to UPS Package Engineering Manager Quint Marini, UPS has experience helping customers design packages for one-way shipping. But the Loop Tote was unique in that it required a design that would allow it to be used "over and over and over again." He

says the first step was learning what TerraCycle needed the tote to do and then explaining to them the UPS transportation process.

The TerraCycle design team led the project in-house, and when expert knowledge on packaging materials and components was required, it worked with its suppliers. Once TerraCycle had a prototype, UPS tested the tote at its ISTA-certified Package Design and Test Lab in Aurora, IL, to identify weak points in the packaging. After going back and forth two or three times with testing and design tweaks, Marini says the tote was ready for field testing. "The field testing helps us really evaluate the whole system, but more importantly, the shell of the Loop package," he explains.

The resulting tote measures 19 in. L x 16.5 in. W x 15.5 in. H and is made with a washable, heavy-weight nylon fabric. Inside, a flexible foam grid holds products of varying sizes in place. The tote uses a zipper closure with a tamper seal that is removed by the consumer. On top of the tote is a clear pouch in which the shipping label is placed. Handles on both sides of the tote make it easy to lift and carry.

For the frozen supply chain, TerraCycle uses a two-pronged approach. First is the design of the primary packaging. For example, Nestlé created a double-walled, stainless-steel container with thermal properties for its Hägen-Dazs ice cream that, along with the tote, “keeps the ice cream fresh and cold from the moment the canister is filled until it is delivered to the consumer’s home,” says Nestlé. The second part is a component, almost like a cooler, with reusable eutectic plates inside, that slips into the tote. “So, when you couple the thermal capabilities of the package and you add it to that frozen chamber, that allows us to ship something frozen, and there’s no waste whatsoever,” explains Rossi.

Part of the goal of the trials in Paris and New York in spring 2019 will be to continually test the durability, the shippability, leakage issues, and cleanability of brand owners’ package designs, so that by the time a final design is reached, “all those boxes have been checked,” says Rossi.

Through UPS, the totes will be delivered to consumers and picked up within 24 to 48 hours after the order is placed. As with the packages inside, the tote will require a deposit from the consumer. That amount has not yet been finalized, but will be announced before the May rollout.

