



A STUDY ON GREEN PACKAGING- A CASE STUDY APPROACH WITH REFERENCE TO DELL INC

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ABSTRACT

Sustainability has entered into every aspect of business and commerce. Every sector of the economy is heading towards it be it agriculture, transportation, services, energy, packaging etc. Packaging of the product is one element that is criticized and analysed more often by the green followers and adapters. This forms a huge point in analyzing and checking the company's overall green policy. Packaging is not just about recycling. It is much more than just the material but it includes the entire life cycle of a product and its packaging from sourcing to consumption and its disposal. Green packaging market is growing at an annual rate of four percent. This trend is accelerating at a great speed and the contribution of regulatory bodies cannot be ignored over here. The manufacturers, brand owners, packagers, retailers and all stakeholders are also leading in this change. Since environmental consciousness has gone main stream this has directly affected the packaging concept in business. This paper titled "A Study on Green packaging- A case study approach with reference to Dell Inc" will explore the key issues in packaging and strategies adopted by Dell. Dell's growth and innovation has reflected the requirements and sustainability. The firm believes that their brands and operations must touch and positively impact every individual and all stakeholders. Dell has developed a plan for its packaging, a plan for achieving their vision to double the size of their business, whilst reducing the environmental footprint and increasing their positive social impact. The research uses secondary data for the collection of data. A model has been built and conclusions, based on the outcome, hereby obtained were drawn. The primary purpose of this paper is to stimulate further discussion amongst marketers and to be used in dialogue with stakeholders.

KEY WORDS: green packaging, key issues, model, Dell.

Introduction:

Green marketing concept has changed and it is evident that green remains just as primary or the selling point of the products or services as its eco-conscious consumption or production. The concept of green is catching up due to various reasons such as awareness and understanding of the need to go eco-friendly and attractiveness amongst the consumer group. The companies following it gains acceptance and with this the sales and market share of the companies go up. But the main benefit if the companies go green is the cost reduction. The companies should be cautious of not turning off the enthusiastic consumers by exaggerated false claims or any other mode of green washing. This breaks the trust and motivation which the consumer places on all companies that are genuinely following green policies. Green policies such as reducing waste, reusing, recycling or using raw materials with recycled materials, green packaging etc help companies increase their bottom line results of profits. The concept of sustainability was introduced by many companies to reduce the cost with minimum effort. All natural resources are finite and this has raised questions on sustainable development and care of environment and natural resources has been a top agenda on all corporate and government discussions.

Concept:

Packaging is an important part of a product. It not only protects the product but also aids in shipping. In both these activities it can have a substantial impact on the environment. The demand for not just eco friendly product but also for eco friendly and sustainable packaging is on the rise due to demand by consumers. Manufacturing and distribution houses are forced to look out for materials that can be recycled and also has the steady capabilities of resistance to damage, moisture and heat. Green packaging constitutes of recycled packaging and recycled plastic products. The research agency Global Industry Analysts estimated that worldwide market for sustainable packaging will rise and it will touch 175 billion dollars by two years from now. Many companies are focusing their research on green packaging. This can be used as an advantage as a marketing activity.

Green packaging is packaging that confirms to the marketing objectives of cost and performance. It also implies utilizing renewable energy in sourcing, manufacturing, transportation, usage and disposal. The materials used in packaging are renewable and recycled one. The manufacturing strategies are green with clean manufacturing technology. The design of the product is kept in sync with packaging so that efficiency in materials and energy is there. During the post consumption stage both products and packaging both can be reused.

The company strives for zero waste securing efficiency of manpower, materials and energy. Continuously identifying prioritizing and implementing environmental improvements in the packaging is the need of the hour. Green packaging initiated during the 1970's when the environment awareness started. The concept of looking at the entire lifecycle of a packaging from sourcing of materials to consumption of final products and disposal after its usage gained acceptance in the early 2000's.

Green packaging has to look at the basic 5 R's of sustainability

Reduce the use of packaging. With lesser material but yet stronger and thinner material this can be achieved. It also means to bring down the packages to their optimal sizes and weights.

Reuse the packaging material. This not only extends the life of packaging but also gains popularity in the market. This can also be achieved by returning back the packaging material to the suppliers for reuse purpose.

Recycle the packaging material. This helps in deriving the long term positive impact for the companies. It saves money and also achieves the objective of green. Single material component in packaging materials also helps in easy sorting thus saving time to the firm.

Remove the unnecessary. There are different types of green packaging answers for the companies such as packaging based on renewable resources, Packaging with additives like OXO additives and BIO additives, Use of recycled materials, optimization of packaging and continuous research and creativity. Packaging specialists keep providing updates about new trends in packaging. The ultimate reasoning behind this is to optimize material usage, conserve energy, popularise recycled or renewable materials. This can also be done by trying to eliminate the packaging wherever possible such as outer cardboards and any other wrapping content.

Renew packaging- Packaging can be improved by constant research and innovation. Therefore the companies try to utilize the maximum packaging from renewable resources and continuous study of biodegradable and related materials.

Need for green packaging:

Companies are forced to accept the green value either by force or by choice due to consumer pressure or environmental need. The regulatory bodies and the legal system of various countries are another main reason for the shift. The pressures from the logistics are compelling companies for sustainable practices. Preference of consumers towards green when they look for brands and understanding of the harm packaging does to the environment is also a revolution mindset that has created the trend. Continuous innovations that are happening in the area of packaging with the advancement of technology also created this change. It also not just green element added to the product but also a style statement and being unique in industry.

Consumer's response to the green created a positive impact for the companies to go green especially in their packaging. The objective of cost saving was intended to achieve and also in the bargain correcting the climate change was also achievable. Companies that have adopted green packaging saw a drop in their shipment damage from 12% to 1% which increases customer satisfaction and shipping savings. The real differentiation is when the problem is solved two fold damage

reduction addition green.

Brand messages can be easily imprinted on the 100% recycled content corrugated boards using water based ink which is eco friendly and maximum creativity can be utilized using new graphic designs' and customized messages. The impact is again two folded brand communication addition green.

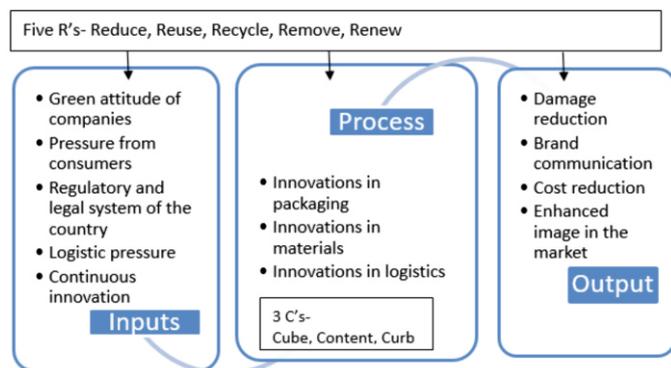
Rising transportation costs is always a cause of concern for most organisations. Both inbound and outbound logistics incurs an extra amount of burden to organisations. But by adopting green packaging it was observed that inbound logistics saw a 6% lower shipping costs and outbound logistics a 14% reduction. Stronger, lighter materials with appropriate design to suit the company's product are ways of green packaging. Twin benefit of cost reduction addition green is achieved.

Case study of Dell:

Texas based computer and accessory manufacturer Dell Inc, a company which always is a pioneer in lots of technology and marketing initiatives also has taken a step forward in terms of Green packaging. A policy of 3 C's strategy is followed which has a considerably reduced the environmental footprint. The 3 C's strategies are the Cube (the box itself), the Content (material made of) and the Curb (the easiness in recycling). This in turn helps the company in terms of creating innovations and reduces all kinds of wastages.

- a) **Innovative packaging design-** Multipack for orders and reduces overall waste. The size of the box is reduced and more boxes in the same shape for shipping. Reduction in packaging volume is achieved by reducing the size of boxes and cushions. Smaller boxes means that the shipment cost and less usage of transportation space. Multipacks helps in cutting down the amount of cardboards needed. This also leads in lesser wastage. Multipack concept introduced by the company reduced the packaging materials up to half.
- b) **Innovative materials-** Natural materials in packaging like bamboo and mushroom cushions, wheat straws, air carbon bags are used and these materials are also easy for customers to recycle when they receive the packaged material. Packaging materials are used in such ways that are renewable. Dell was the pioneer technology company to come up with bamboo cushions instead of foam. The renewable material used is strong but yet light and grows back at an inch per hour. An alternative to Styrofoam mushrooms were used which are great alternative for packaging. This company is also first in the IT sector to have a partnership with Newlight Technologies, a company that invented and manufacturers of Air Carbon. This led to carbon negative packaging. Straw is another sustainable packaging material used by Dell. They mix up with recycled paper fibers and created boxes for desktop and note pad products. This process uses less water and energy and is a part of green manufacturing. This reduces pollution when compared to conventional manufacturing.
- c) **Innovative logistics-** Ocean freight is used to reduce the environmental footprint. Constant upgradation in transport network and reducing dependence on airways are other modes to make planet livable. This not only ensures product safety but also makes it green. By adopting ocean freight instead of air freight the fuel needed per transaction is lesser. This has resulted in reduction of carbon emissions by 92%. Trips and carbon emissions both are reduced.

Model based on study:



The results are that at the end of the year 2015 approximately 66% of Dell shipments use packaging that is from 100% sustainable sources. Dell estimated that the multipack concept was so effective that the company recorded the environmental impact of saving cardboards and papers is about preserving 52,000 trees a year. Green packaging is more sustainable than conventional ones. The benefits the company could gain out of it are lower carbon emissions, less energy requirement, conserving natural resources and light weight in nature. For consumers the benefits are in the form of energy conservation, lesser costs, better safe products and reduction in carbon footprint.

Conclusion:

Green packaging if it has to be a game changer for the industries has to be economical in the production and has to be commercially successful. It can be achieved only if it is appealing and convenient for the customers using it and the company's manufacturing abilities. This positive change in packaging will help the individuals and the planet at large. The necessity of the hour is requirement of good corporate citizens who take sustainable initiatives. Doing little things in a right way is the requirement. The increasing use of sustainability in the business world explains that economic success increases when companies follow social and environmental gains.

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