## IQRA National University

## Department of Business Administration

## 13654 syed yousaf shah

**PAPAER**: Consumer Behavior

**Total Marks:** 50

**INSTRUCTIONS:** Please read the following case and attempt the all question given in the end.

**RECYCLING PLASTICS BOTTLES, SAVING THE PLANET**

Plastic—what would we do without it? It’s an important part of our everyday life and serves as the packaging to many of the products we use on a daily basis. It’s easy it is to use, versatile as a packaging material, and very convenient. But it’s also one of the biggest contributors to waste. In the open ocean between Hawaii and San Francisco and between Africa and Australia are areas where plastic accumulates and is carried by ocean currents, resulting in the Great Pacific Garbage Patch and the Indian Ocean Garbage Patch, respectively. Needless to say, this represents a major hazard to wildlife in the area, but they also pose dangers to shipping traffic.

Current statistics suggest that about 27 percent of plas- tic bottles are recycled, which means that there is potential to change behavior and increase levels of recycling. Recycled plastic bottles can be turned into a number of other products, including clothing and sleeping bags. Both Coca-Cola and Pepsi have identified recycling as a major issue in this industry, but the majority of the sales of their beverages are in plastic bot- tles—more than 60 percent of it, in fact. This makes it impor- tant to develop alternatives to petroleum-based plastic (PET or polyethylene) bottles for packaging. One such innovation is the creation of a plastic bottle made from recyclable plant material. Plastic bottles are generally made from petroleum, so ussng other ingredients means a lower carbon footprint. Both international brands have developed alternatives that attempt to not only reduce the carbon footprint associated with the tra- ditional plastic bottle, but also to enable the bottle to be recycled and reused. Coca-Cola has introduced the plantbottle, which is made of 30 percent sugarcane and the waste from sugarcane products. This bottle functions and feels exactly like a traditional plastic bottle, but it is not biodegradable, so consumers have to be encouraged to recycle them. The first prototype of this bottle was introduced in 2009, and more than 35 million of them have now been sold in 40 countries. At the moment, only 30 percent of the bottle is from a plant-based source, though research is currently underway to increase this to 100 percent. Pepsi’s bottle is also made of plant waste, and this material al- lows for these bottles to be turned into new Pepsi bottles.

To encouraging consumers to recycle their plastic bot- tles, various strategies have been developed by Coca-Cola and Pepsi that reward consumers for their recycling activities. In Singapore, the Happiness Recycled campaign included a recy- cling machine in public places that rewarded consumers every time they recycled a plastic Coke bottle. The empty Coke bottle was placed in a specially-developed bottle recycling machine, and in return the consumer was rewarded with a number of different items. Some of the items that the machine dispensed were flowers, t-shirts, and caps, all made from recycled plastic bottles. Each also contained a note encouraging consumers to continue recycling. A total of 51,827 bottles were recycled in this campaign, and a video of the campaign that was uploaded on YouTube got 45,000 views.

Pepsi has partnered with international non-government agencies and local citizens in various countries in Waste to Wealth initiatives. This initiative encourages recycling by pro- viding an income for those who collect recyclable items. Other organizations that also have products that retail in plastic bot- tles, such as Nestlé and Johnson & Johnson, have also intro- duced education and reward programs to increase the recycling rates of these items. In the United Kingdom, rewards have been given to con- sumers based on the pledges made to recycle in a campaign launched by Tesco and Coca-Cola. The purpose of the pledges is to educate families about the importance of recycling while also highlighting the importance of nature and the envi- ronment. Rewards have been given to those pledging their support, such as a discount voucher or loyalty points for the store rewards program. A family holiday to France was also one of the rewards. The campaign sought to enhance educa- tion about recycling as well as the level of involvement (and fun)—all geared towards increasing the levels of recycling in the United Kingdom. Rewards from various organizations are not the only way to encourage recycling. In other European countries, consumers pay a deposit on the plastic bottle when buying their beverages. When

these bottle is returned, it is placed in a recycling machine that returns the deposit to the consumer in the form of a voucher. This voucher is then presented to the retailer to get the deposit back.

## **QUESTIONS**

1. Why do you think Coca-Cola decided to include rewards and other experiences in their recycling campaign in Singapore? Do you think they were appropriate rewards?

Ans: Simply because it is a great incentive for customers. If customers know that they aregoing to get something in return, they will do it. People like when it is free, no matter wherethe customer comes from, everybody likes when it’s free. According to the case: “Some of theitems that the machine dispensed were flowers, t-shirts, and caps, all made from recycledplastic bottles. Each also contained a note encouraging consumers to continue recycling”.

1. Suggest other ways to increase recycling in your community (besides those indicated here).

In my opinion, Coca-Cola decided to include rewards because customers are more willing to make an effort and recycle their bottles. Therefore, Coca-Cola can recycle their bottles and reduce its cost toward producing bottles. I do not think that the gifts were appropriate but as long as customers got something, it is fine. In France, people are really focus toward money. In my opinion, one good way to increase recycling in France will be to reward people with money. For instance, for every hundred bottles recycle, people will receive a free pack of six Coca-Cola bottles.

1. As consumer behavior specialist suggest strategies to the government on different ways, they can reward those businesses who show compliance to COVID-19 safety protocols to encourage preventive behaviors in the society.

The COVID-19 pandemic has fundamentally changed the world as we know it. People are living differently, buying differently and in many ways, thinking differently. Supply chains have been tested. [Retailers](https://www.accenture.com/us-en/insights/retail/coronavirus-consumer-habits) are closing doors. Consumers across the globe are looking at products and brands through a new lens.

The virus is reshaping the [consumer goods](https://www.accenture.com/us-en/industries/consumer-goods-and-services-index) industry in real time, rapidly accelerating long-term underlying trends in the space of mere weeks. Our research indicates that new habits formed now will endure beyond this crisis, permanently changing what we value, how and where we shop, and how we live and work.

Even as this crisis continues to evolve, by exploring the changes that are happening now, we can consider what consumer goods businesses should do today to prepare for what’s next.