

White Paper



Consumer insights for laundry care packaging

Research Objective:

To better understand how packaging drives purchase in laundry care product selection

Executive Summary

In 2020, Mondri and Dow Chemical partnered to survey laundry care product consumers with a goal of gaining additional insight into purchasing behaviors and decision-making factors, including:

- ▶ which features would make participants consider a brand switch
- ▶ the role convenience and packaging features play in product selection

This white paper is based on the survey's findings, providing insights and implications of the research as well as highlighting recommendations for improved product positioning.

Outlining new market trends, behaviors and insights laundry care manufacturers can leverage to convert consumers

In an effort to better understand consumer pain points and leverage new opportunities for product positioning and packaging, this research addresses three key questions:

- ▶ *What is important to laundry care consumers and how do they perceive home care tasks?*
- ▶ *How do packaging and sustainability drive purchase decision for laundry care products?*
- ▶ *What packaging features and benefits are more important to consumers, and what tradeoffs will they make?*

To answer those questions, both qualitative and quantitative research methods were applied, including surveying 800 laundry care product consumers from a cross-section of demographic and socio-economic categories. Purchasing channels (online vs. retail setting) and product preferences (pods vs. liquids vs. powder) were also represented.

Demographically, 62% of research participants were female, while 38% were male. Gen Z (age 18-23) represented 8% of participants; Younger Millennials (ages 24-32) made up 17%; Older Millennials (33-39) 15%; Gen X (40-55) 23%; and Boomers+ (ages 56+) made up 37%. Geographically, 52% of respondents live on the U.S. East or West Coasts, while 48% live in America's "Heartland".

...continued

Audience engagement

Consumers are emotionally invested in the care of their homes, viewing those efforts as a labor of love. Among research participants:



agree that keeping their home clean makes them proud



agree that a clean home is a happy home



agree that caring for their home means caring for the people they love

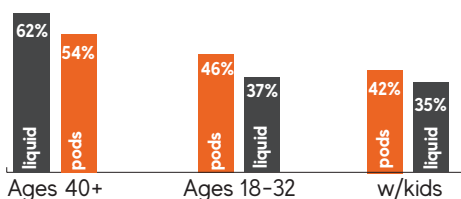
As a result, consumer connection may be more emotional and personal than in other categories, creating a premium segment with a strong interest in convenience factors, including special packaging features.

Shopping Habits: Pods vs. Liquids

Participants most often purchased laundry care products from mass merchandisers (42%) and grocery stores/super markets (30%). Within this research project, online channels, including Amazon, e-commerce stores and apps like Instacart, made up just 6% of purchasing channels utilized.

Gen X and Baby Boomer participants (ages 40+) were more likely to prefer liquids/gel products over pods (62% liquid/gel vs. 54% pod users), while Gen Z and Younger Millennial participants (ages 18-32) preferred pods (46% vs. 37% liquid/gel users). Participants with children in the household were also more likely to prefer pods (42% vs. 35%).

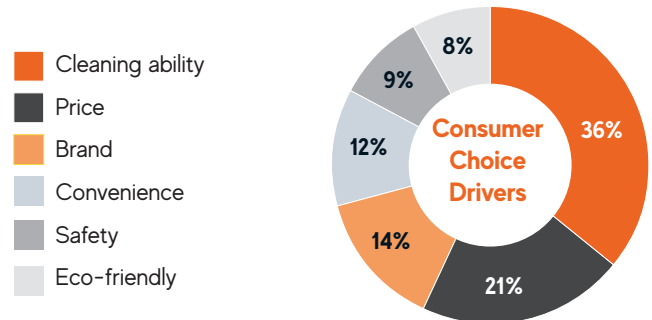
Liquid/Gel vs. Pod Users



Among pod users there exist some variations in importance factors, including more emphasis on convenience/ease of use and a slightly higher perception of product eco-friendliness.

Findings & Analysis: Choice Drivers

For laundry care, product efficacy is the major driver of consumer choice, followed by price. Loyalty to a specific brand and convenience were ranked next in importance, followed by product safety and eco-friendliness.



When it comes to brand selection, research participants ranked “cleans the toughest stains” (97%) and “good value for the money” (95%) on top, followed by availability (93%), brand trust (89%) and dermatologic concerns (doesn’t cause skin allergies) (85%). Packaging aesthetics are also noted as important, with 64% of participants listing “easy to find on the shelf” as a top driver in their purchasing choice.

Findings & Analysis: Consumer Pain Points

Research participants are most frustrated by torn, ripped or leaking packaging, with two out of three consumers listing it as a deal-breaker in purchasing a product. Participants also listed difficult-to-open packaging as a critical pain point, ranking ease of opening (81%) and ease of storing (79%) among top packaging importance factors. Seventy-four percent of participants also identify “easy to carry” as a key packaging feature. When it comes to deal-breakers, survey findings show:

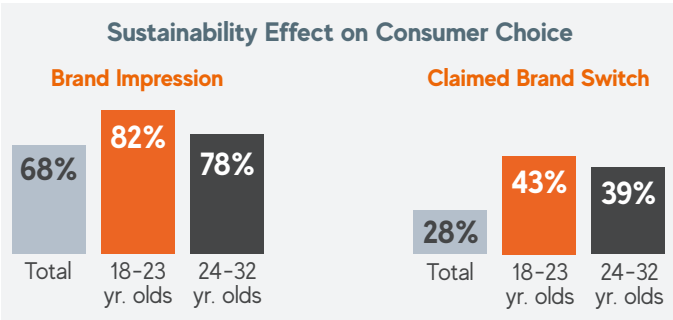


Findings & Analysis: Sustainability Impact

Within the laundry care sector, respondents indicated low satisfaction with current environmentally-friendly packaging options. While not currently recognized as a primary factor in brand selection, survey data highlights sustainability as a potential loyalty driver...continued.

Sustainability Impact, cont.

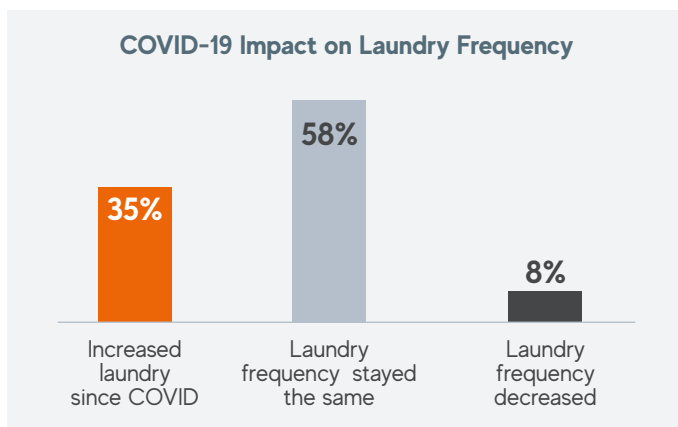
Sixty-eight percent of participants indicated they would be more favorable toward a brand if it changes its packaging to be more environmentally friendly. Additionally, 28% shared that they would be willing to switch brands for more environmentally friendly packaging.



Those within the Gen Z (ages 18-23) and Younger Millennial (ages 24-32) demographic groups felt most strongly about sustainability, with 43% of Gen Z and 39% of Younger Millennials willing to switch brands for environmentally-friendly packaging. Participants viewed packaging icons and type of material as the strongest indicators of environmentally-friendly packaging; those same sustainability indicators are also most likely to influence purchasing decisions.

🕒 Findings & Analysis: COVID-19 Impact

This research was conducted in Q3 of 2020, allowing for deeper insight into the effect COVID-19 has on attitudes and behaviors related to home care and sanitation. On average, about one-third of participants reported an increased frequency of washing laundry:



Participants indicated an increased awareness of germs and placed higher significance on product efficacy as a result of COVID-19.

👤 Research Insights: Key Takeaways

Packaging is an important factor in product selection.

When it comes to packaging for laundry pods, survey participants list “allows me to get just the right amount” and “ease of opening the package” as the most important factors, followed by “made from environmentally friendly materials” (56%). Meanwhile, 77% of participants would not buy a brand again if they encountered packaging that was difficult to open or hard to reclose. Likewise, packaging that is hard to store (28%) and hard to reclose (20%) also represented important pain points that manufacturers should bear in mind in both product and packaging development and brand messaging.

There are distinctions between pod and liquid users.

Within this research, pod users place greater emphasis on child-safety features and reusable packaging compared to liquid detergent users. Additionally, pod users rank convenience and ease of use, along with environmentally friendly packaging, of higher importance in product selection, providing a potential positioning path for converting non-customers.

Sustainability plays a role in converting and retaining.

Research data underscores the potential of sustainability factors in both attracting new audiences and building brand loyalty among existing consumers. Participants ages 18-32 (representing Gen Z and Younger Millennial demographics) were significantly more likely to care about environmentally friendly packaging, representing a key leverage opportunity for not just product switches, but loyalty building and brand advocacy.

Gen Z is especially influenced by sustainable packaging, creating an opportunity for brands as this demographic’s home care needs grow over time.

Across all demographic sectors, respondents demonstrated low satisfaction with current environmentally friendly packaging options (55%), further highlighting a potential growth... *continued.*

Sustainability Role, cont.

opportunity for laundry care manufacturers. Among pod users specifically, this research shows that sustainable packaging can translate to stronger brand impression (74%), with 31% of pod users claiming a brand switch for more environmentally-friendly packaging. Additionally, this research shows that around two-thirds of consumers recycle their home care packaging, indicating an existing eco-friendly consciousness that may be further capitalized on by brands with sustainable-driven messaging.

Methodology

Research methods for this project included both qualitative foundational learning with a market sweep of dish care categories and informal shop-alongs/home visits, as well as quantitative measurement via a 15-minute online survey.

A sample size of 800 home care product buyers were surveyed. Screening criteria include dishwasher and clothes washer users, laundry brand purchased within prior three months, mix of format purchased (liquid vs. pods) and a mix of online vs. retail purchases.

About Mondi North America

Mondi is a global leader in premium packaging and paper. We strive to provide our clients and their customers with innovative features and sustainable packaging solutions that keep production smooth and efficient. We are fully integrated across the packaging and paper value chain – from managing forests and producing pulp paper and plastic films to developing and manufacturing effective industrial applications. We offer unmatched, state-of-the-art printing and recycling technology. Our approach is simple:

- ▶ We develop close relationships with customers
- ▶ We listen to their needs and challenges
- ▶ We share what we've learned
- ▶ We make good on our promises

Total solutions, not just products, distinguish us from others. Learn more about Mondi's products and solutions: <https://NorthAmerica.MondiGroup.com>

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