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consumer trends require unique and sustainable packaging solutions. /BY YA'EL McLOUD That's a Sustainability Preserving SUDDIV Key **Players** Problems P62 Ouality

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The Battle of the Supply Chain

Trusted packaging partners are crucial as consumer preferences evolve.



he packaging supply chain has become paramount as COVID-19 pushed restaurants to offer customers the same quality and consistency of food at home as in a restaurant. Operators need to ensure that they have the right packaging materials when they need them to guarantee a consistent flow of packaging to each restaurant location.

Time and efficiency are integral to the success of quick-service restaurants. "One of the biggest challenges operators face is aligning with distribution centers and getting the packaging they need when they need it," says Mark Schlossman, the exec"Partnering with the right supplier can provide reliable service, innovation, transparent communication, efficient distribution, and a breadth of options and raw materials."

utive vice president of sales and marketing at **Accurate Box Company**. These challenges underscore the critical role of reliable packaging partnerships in ensuring seamless operations, making it clear that finding trusted packaging allies is essential for success in the fast-paced quick-service restaurant industry.

"Operators are responding to these challenges by diversifying their packaging manufacturers," Schlossman says. "Now more than ever, operators are giving manufacturers the opportunity to gain their business." Diversification is a strategic move to ensure a stable and reliable supply of packaging materials that operators may find successful.

However, finding the right packaging partner is crucial in such a complex marketplace. "Partnering with the right supplier can provide reliable service, innovation, transparent communication, efficient distribution, and a breadth of options and raw materials," says Teresa Leonard, head of foodservice national accounts at **Huhtamaki**. Trusted partners are instrumental in overcoming supply chain challenges.

Supply flow has been a major problem for operators, particularly in the wake of the COVID-19 pandemic. "Securing and maintaining supply continuity has been a major issue for operators," Leonard says." Labor and staffing stability continue to be a challenge as we have exited COVID-19. This volatility can adversely impact supply consistency and security.". The strain COVID-19 initially caused has led to continuing supply issues. Operators and consumers are still being affected when the packaging they are used to is not available.

While supply chain issues are a complex matter, partnering with a consistent and responsible packaging company can relieve some of the pressures of the supply chain strain. "Trusted brands are trusted for a reason," says Dan Nirenberg, vice president and general manager of **GP PRO** foodservice cups and cutlery categories.

In the world of quick-service restaurants, trusted brands play a vital role in ensuring operational efficiency and consistency. "Trusted brands deliver on their promises to help operators overcome their day-to-day challenges and they weather the storms of supply chain issues and labor shortages arm-in-arm with operators," Nirenberg says. Everyday procedures should be made as simple as possible for the success of quick-service restaurants. When operators and consumers are not hindered by smaller factors they can better focus on a good experience.

"Everyone's looking for ways they can comply with new regulations and create a more environmentally friendly package without adding too much complexity

Advancements in technology are shaping the packaging landscape, especially with an emphasis on sustainability. "Right now, we're seeing brands experimenting with new or different substrates and coatings. Everyone's looking for ways they can comply with new regulations and create a more environmentally friendly package without adding too much complexity to their supply chains or more SKUs to their packaging buys," says Nathan Kraatz, marketing specialist at **Inno-Pak**. Sustainable packaging solutions are becoming increasingly important to meet consumer demands.

Earning the confidence of restaurants and consumers is important when building a reputable brand presence. "When you build your packaging plan, replicate what your customer will experience," says Kurt Richars, director of market development and sustainability at **Anchor Packaging**. "Above all, prioritize temperature, texture, and taste. Put potential packaging to the test—don't simply put food in containers." Innovative packaging solutions can lead to cost savings and improved operational efficiency.

Working with trusted partners is also necessary as younger generations start pushing quick-service restaurants for greater innovation and unique solutions for current issues, like climate change and healthier food options. "As quick-service restaurants and foodservice customers' profiles have changed radically and keep evolving, trusted relationships between packaging converters are crucial now," says Akiva Buchberg, inventor, president and executive chairman of **GreenDustries**.

Operators should make sure that they are spending money on packages and brands that can deliver consistent products and the best customer service. Everything from the design and materials to the cost and reputation of the packaging company should be taken into consideration. "Trusted suppliers build these benefits into the design of each container while also providing food safety certifications and security of supply. Pennies invested in better packaging to deliver dollars in increased efficiencies and reduced costs," Richars says.



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Saving money is always important to maximize ROI, however, transportation challenges can exacerbate costs and relationships between suppliers and customers. "Transportation has become a larger problem since Yellow left the market. The already inflated transportation costs have become even higher, and the reliability and availability of carriers have diminished as well. Both of these combined, make keeping quick-service restaurants supplied in packaging more difficult," says Rich Reutti, vice president of sales at Continental Cup. These transportation challenges emphasize the need for resilient supply chain partnerships.

Packaging is a critical component of quick-service restaurants' success. "Operators can communicate with their customers in several ways. The key is focusing on a positive customer experience and the business's excellent rep-



utation in delivering quality off-premises meals. Packaging is the caveat to that experience and essential to gathering repeat business," says Monica Bowser, corporate marketing manager at **Genpak**. To overcome challenges related to distribution, supply continuity, and sustainability, operators must collaborate with trusted packaging partners. These partners not only provide reliable supply but also help navigate the complex landscape of packaging innovations and sustainability demands, making them an invaluable asset for quick-service restaurants.

Consumers Prefer Sustainable Packaging

How environmental concerns are driving consumers' preferences.

Sixty percent of consumers not only care about sustainable packaging but would pay more for it, according to a 2020 study by McKinsey and Company. In today's fast-paced world, quick-service restaurants play a vital role in satisfying cravings on the go. However, as consumers become increasingly conscious of environmental issues, their expectations for sustainable packaging have grown. The current shift in consumer demand poses both challenges and opportunities for quick-service restaurant operators and their packaging partners.

Much like everything else, COVID-19 has changed consumer's needs and expectations and, in turn, how operators need to run restaurants. "Since the COVID-19 pandemic, consumer expectations regarding packaging have dramatically shifted. No longer an afterthought, customers now hold operators accountable for using packaging that upholds the quality and integrity of takeout and delivery orders," says Monica Bowser, corporate marketing manager at **Genpak**.

Surprisingly, one change since COVID-19 is consumers are more environmentally conscious and want more sustain-

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able options when they shop. A study by research group Kantar said that since COVID-19 sustainability was of greater concern for consumers than before the outbreak.

"Sustainability is also a huge movement that is gaining significant traction among consumers. Consumers are increasingly urging restaurants to adopt more environmentally conscious practices, and the choice of packaging material can leave a lasting impact on consumers," says Mark Schlossman, executive vice president of sales and marketing at **Accurate Box Company**. The importance of sustainable packaging and how it will shape the future of the foodservice industry cannot be overstated.

Sustainability is a pressing concern that has gained considerable traction among consumers in recent years. The choices consumers make are no longer solely driven by convenience or taste; they are increasingly influenced by a desire to make environmentally conscious decisions.

"An added challenge is the use of unsustainable packaging which could deter environmentally conscious consumers from supporting a restaurant," says Schlossman. Consumers are more cognizant of the environmental steps companies are taking. Now more than ever, consumers will take their business elsewhere if their values are not being reflected.

One of the most critical aspects of sustainable packaging is the choice of materials. Opting for eco-friendly options such as recyclable, reusable, and compostable materials resonates positively with customers, and technology is helping drive this shift. "Overall, technology has allowed packaging manufactur-





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ers to discover better methods of delivering desired packaging capabilities, such as leak resistance, recyclability, and overall heightened performance," says Bowser. Consumer preferences have created a clear imperative for quick-service brand operators to align their packaging choices with sustainable values.

Legislation has also evolved to support these environmental initiatives. Extended Producer Responsibility (EPR) Legislation is shaping the industry by introducing greater responsibility for the disposal of packaging. "EPR legislation will continue to evolve, as will the call for more recyclable and compostable products," says Rich Reutti, vice president of sales at Continental Cup. The market demand for recyclable and compostable packaging has increased substantially, making it crucial for brand owners to take a leadership position in adopting environmentally friendly products. Aside from market demand, packaging companies will need to innovate or face increased financial responsibility for unsustainable designs and materials.

Meeting consumer expectations is paramount for quick-service brand operators. "As the past few years have demonstrated, if consumer expectations are not met, consumers are more than willing to take their appetites, their wallets, and their loyalty elsewhere," says Dan Nirenberg, vice president and general manager of **GP PRO** foodservice cups and cutlery categories. Nirenbger further emphasizes that consumers want operators to support sustainability, especially in foodservice packaging. This means incorporating environmentally friendly food wraps, cups, and containers into the business model.

One of the pitfalls quick-service restaurants should be aware of is buying into greenwashed packaging, which is packaging that claims to be sustainable but, in reality, is not. Akiva Buchberg, inventor, president and executive chairman of **GreenDustries**, warns, "It is very hard for packaging companies to develop new packaging solutions without close collaboration with quick-service brands and operators. The issue becomes when packaging companies are 'greenwashing' and misleading with sustainable claims they make about their products."

In an era marked by consumer skepticism, transparency is of paramount importance. "Consumers want environmentally friendly packaging now more than ever before. They're also smarter and more skeptical about greenwashing, so operators need to know how to show proof of their eco-friendly initiatives," says Nathan Kraatz, a marketing specialist at **Inno-Pak**. This transparency builds trust and confidence among consumers.

It is important not to take shortcuts when it comes to sustainability, consumers want businesses to make actionable decisions regarding climate change. It is better to show not tell, and packaging is the perfect way to show consumers a restaurant is serious about the environment. "Younger consumers prioritize sustainability, innovation, convenience, and unique experiences when it comes to packaging. Unfortunately, the packaging options in the quick-service and foodservice industry are quite ordinary, and there's a scarcity of innovative solutions that can truly excite and satisfy Gen Z and millennials," Buchberg says.

Recent surveys find that younger generations are pushing industries to find more innovative packaging solutions, and they are willing to pay for it. According to the 2021 Global Buying Green Report, 83 percent of respondents 44 and under said they would pay more for sustainable packaging. Furthermore, younger consumers were 23 percent more likely to pay more for sustainable packaging regardless of income disparities.

"Operators have struggled to communicate meaningful messages to customers. Their attempts to change packaging artwork on the same old packag-

ing have yielded little success," Buchberg says. Consumers see past branding to the core of the issue; quick-service restaurants require better packaging solutions rather than better marketing strategies.

To achieve sustainability goals, quickservice brands are exploring innovative solutions. "Right now, we're seeing brands experimenting with new or different substrates and coatings," Kraatz says.

This experimentation aims to comply with regulations and create more environmentally friendly packaging without adding complexity to supply chains or expanding the range of product variations. Innovations can bring quality uncertainty which is why it is important to lean on trusted brands. "Trusted brands bring innovations that protect meal quality and help you exceed their expectations to build a loyal customer base," says Kurt Richars, director of marketing and sustainability at **Anchor Packaging**.

Manufacturers play a pivotal role in driving innovation in sustainable packaging. Teresa Leonard, head of foodservice national accounts at **Huhtamaki**, points out, "Operators and brands want manufacturers to innovate and develop the low-cost sustainable packaging solutions their consumers seek." Collaborating with the right supplier can ensure reliability, innovation, transparency, efficient distribution, and a broad range of raw materials, aligning with the goals of cost-effectiveness and sustainability.

Packaging plays a multifaceted role in addressing the complex challenges faced by quick-service brand operators. "Operators today must deliver consistent quality amid rising costs to more offpremise customers while providing solutions that enable their customers to act sustainably," says Richars. Packaging not only protects food quality but also offers sustainable solutions post-use, creating value and fostering customer loyalty.

Convenience and reusability are crucial aspects of sustainability. Kurt Richars further stresses the importance of making sustainability convenient for customers. "Also, understand that customers who want sustainable solutions expect restaurants to make it easy," he

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says. "Reusable containers add real value for future use. A product that remains recyclable after use makes it convenient for customers to act sustainably." Convenience is a key driver for consumers when making sustainable choices.

When pursuing sustainable solutions, it is vital to prioritize protecting the key elements that ensure food quality, including temperature, texture, and taste. "Sustainability isn't just important to customers. It's the right thing to do. However, when considering sustainable solutions, it's critical to prioritize protecting the key pieces that ensure food quality: temperature, texture, and taste," says Richars. Striking the right balance between sustainability and food quality is crucial for success.

Sustainability has become an integral part of the foodservice industry, influencing both consumers and quick-service brand operators. As consumers become more environmentally conscious, the foodservice industry must adapt to meet their expectations. Sustainable packaging is no longer an option but a necessity to attract and retain eco-conscious consumers.

Quick-service brand operators must lead the charge by adopting eco-friendly packaging materials and transparently showcasing their sustainability initiatives. In doing so, they protect the environment, secure customer loyalty, and create a brighter more sustainable future for the industry.

Reviewing the entire life cycle of packaging is critical, Buchberg elucidates, "Sustainability goes beyond the material used; it is all about the packaging materials source reduction, the structure and the design, and the consideration of the entire life cycle of the product."

Preserving Quality

Consumers expect high-quality packaging to safeguard food deliveries.

he seismic shifts in consumer expectations and market dynamics in the post-pandemic era have positioned packaging as a pivotal element in the foodservice industry. The evolution has been profound, with consumers no longer seeing packaging as mere containers but as a critical component that preserves the quality and integrity of their food. The necessity for superior and sustainable packaging has become more pronounced, especially with the increased reliance on takeout and delivery services. Operators now find themselves navigating a labvrinth of challenges, from meeting elevated consumer expectations to reflecting brand identity accurately.

"Since the COVID-19 pandemic, consumer expectations regarding packaging have dramatically shifted," says Monica Bowser, corporate marketing manager at **Genpak**. "No longer an afterthought, customers now hold operators accountable for utilizing packaging that upholds the quality and integrity of takeout and delivery orders," she says. This shift has necessitated a thorough reevaluation and reconfiguration of packaging strategies by quick-service restaurants to align with consumer expectations and to safeguard the integrity and quality of food.

Indeed, the conservation of food quality has emerged as a sustainable action, integral for reducing food waste. "Protecting food quality reduces food waste and is one of the most sustainable actions an operator can take," says Kurt Richars, director of marketing and sustainability at **Anchor Packaging**. This correlation between food quality and sustainability accentuates the need for innovations in packaging that not only uphold food quality but also resonate



"Money is tight for consumers, and their expectations are high."

with ecological consciousness.

In this changing landscape, consumer budgets are constrained, but their expectations are soaring. "Today, there is less margin for error," says Richars. "Money is tight for consumers, and their expectations are high. Trusted brands bring innovations that protect meal quality and help you exceed their expectations to build a loyal customer base." Meeting these heightened expectations necessitates an unwavering commitment to quality and innovation from brands, ensuring that the consumer experience is not compromised, even when the customer is distanced.

Not only are consumer budgets tighter,

but operator budgets are as well. In the face of labor shortages and a struggling supply chain, operators need to be more cautious of price than ever before. "As a supplier to the quick-service restaurant industry, market volatility in both raw materials and transportation has, since the start of the pandemic, created many challenges," says Rich Reutti, vice president of sales, at **Continental Cup**. "Prices went up during the pandemic, and, while they are now falling, they are still higher than pre-pandemic levels," he says. Furthermore, the intelligence of the design can save operators money and time. "Consider how packaging can simplify your operations and increase profit. For example, a container closed easily with one hand shaves critical time off each order. If that container also has a clear, anti-fog lid, it increases profit by allowing staff to catch costly order errors before the food leaves the kitchen without requiring

them to open the container and release the heat," Richars says. Design can protect the longevity and cost associated with delivered foods.

As the demand for uncompromised food quality escalates, advocacy for consumer interests is paramount. Addressing consumer needs is necessary for maintaining a loyal customer base. "Consumers are looking for packaging that can easily transport food while not compromising the quality of the food," says Teresa Leonard, head of foodservices national accounts at Huhtamaki. "Operators should advocate on behalf of their consumers with their suppliers," she says. Such advocacy ensures a synergistic evolution of packaging solutions that are harmonious with consumer demands, maintaining a dynamic balance between transportability and food quality.

The growing trend towards convenience and flexibility in the food industry is demonstrated by the rise in the delivery business model as consumers are being offered a myriad of options for accessing their food. "There is much more 'To Go'

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business than ever before, and it is spreading into fast-casual restaurants and growing even larger for quick-service restaurants," Reutti says. "Brands are letting customers know they have multiple options for their food, be it dine-in, delivery service, or pick-up. As a result, the end user is more intimate with the packaging."

The ongoing evolution in the packaging space is characterized by a relentless pursuit of sustainability and competitive pricing while maintaining food integrity. "The packaging space is continually evolving to meet the demands of sustainable packaging that maintains food integrity at a competitive cost," Leonard







says. This balancing act between costeffectiveness, sustainability, and food integrity propels the continual advancement of packaging solutions, making them pivotal in differentiating service providers in a competitive market.

Operators have risen to the chal-

lenge that post-pandemic consumers demand and are credited for their relentless efforts to adapt and meet consumer needs by packaging leaders. "I give operators a great deal of credit," says Dan Nirenberg, vice president and general manager of **GP PRO** foodservice cups and cutlery categories. "They are doing the best they can given what seems to be a lack of affordable, reliable, and sustainable packaging that maintains food and beverage integrity and safety while positively reflecting the restaurant's brand."

Furthermore, the profound impact of technology on foodservice packaging is undeniable. The burgeoning of mobile orders and the incorporation of thirdparty delivery services like Uber Eats and DoorDash have necessitated a reimagining of packaging solutions.

"These advancements are driving a demand for foodservice packaging that is not only convenient to carry but also highly durable," says Mark Schlossman, executive vice president of sales and marketing at **Accurate Box Company**. This is imperative for meeting consumers' multifaceted expectations surrounding convenience, durability, and organization of foodservice packaging.

Consumers and delivery services have various needs from packaging. "Consumers expect foodservice packaging to fulfill a range of requirements, including being easy to carry, offering sufficient strength to securely hold their order, and keeping their food organized," Schlossman says. "Without meeting

these expectations, there's a risk of food being tampered with and disorganized, ultimately leading to consumers being dissatisfied when opening the packaging." Thus, the need for meticulous design and engineering of packaging solutions that address a spectrum of consumer requirements is more pressing than ever, to avoid consumer discontent and to fortify brand loyalty.

Strategic alliances with reputable packaging brands are instrumental in enhancing off-premises foodservice operations. "Partnering with a trusted packaging brand ensures optimal off-premises foodservice operations. Quality packaging can differentiate a restaurant from competitive establishments, preventing leaks and the taste, presentation, and temperature of to-go food and beverages, akin to the onsite consumption experience, is escalating. "Consumers want their to-go food and beverages to look and taste the way they do





"Quality packaging can differentiate a restaurant from competitive establishments, preventing leaks and mishaps that are out of an operator's control."

mishaps that are out of an operator's control," Bowser says. This differentiation is crucial for carving a unique brand identity and ensuring consumer retention in a market teeming with competition.

Consumers' desire for consistency in

when consumed on-site," Nirenberg says. "They want consistency in the presentation and the temperature," he says. This yearning for consistency underscores the significance of packaging in replicating the in-restaurant dining experience and maintaining consumer satisfaction.

The continuing trend of preferring takeout or delivery to enjoy restaurant food at home post-COVID-19 pandemic indicates a sustained consumer interest in at-home dining experiences. "To capitalize on that continued interest, brands should make sure they use reliable, ecofriendly packaging that's up for the challenges of delivery, transit, and improved at-home dining experience," says Nathan Kraatz, marketing specialist at **InnoPak**. Embracing eco-friendly and reliable packaging is pivotal for brands to leverage this sustained interest and enhance the athome dining experience.

The significance of food packaging extends beyond being a mere vessel; it is a reflection of the brand. "Your food's packaging is an extension of your brand," Kraatz says. "In some cases even, your customer's first interaction with your brand is going to be receiving the packaging from a delivery driver." This perspective makes it imperative for brands to invest in packaging that accurately represents their identity and values, as it could be the first point of interaction with the consumer.

Yet, amidst these evolving dynamics, the essence of food remains unchanged. "What hasn't changed is the food is still the star," Richars says. "The first bite's temperature, texture, and taste are critical parts of getting a repeat order. For more and more customers, that first bite will also be their first encounter with your brand. You can deliver what your chef intended with the right packaging."

The amalgamation of consumer expectations, sustainability, technology, and innovation is reshaping the industry's approach to delivering sublime food experiences. The future of foodservice packaging is teetering on the brink of transformation, promising a new epoch marked by ecological responsibility, consumer satisfaction, and brand loyalty. Balancing these elements is key for operators and brands in navigating the intricate web of consumer demands and market dynamics, ensuring the delivery of unparalleled food experiences that resonate with brand identity and values. SC

SMARTCHAIN KEY PLAYERS



Accurate Box Company

86th Fifth Avenue, Paterson, NJ 07524 (973) 345-2000 accuratebox.com

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Huhtamaki Foodservice North America

9201 Packaging Dr. Desoto, KS 66018 (800) 244-6382 Us.huhtamaki.com

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13515 Barrett Parkway, St. Louis, MO 63021 (800) 467-3900 – info@anchorpac.com anchorpac.com

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100 Founders Court, Delaware, OH 43015 (800) -INNOPAK innopak.com

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