

WHITE PAPER

Going... Going... Gone... Green.

By Brittany Beecroft

For carriers to not only become competitive in the small parcel market but also obtain a competitive advantage, the carrier's capacity to differentiate and adapt must be high. UPS must be able to leverage its service from one market to another and avoid competitive replication during expansion—expand its packaging options to embrace green ideology and avoid regional and national competitors reproducing its green business model. Carriers must now balance being economically competitive and environmentally conscientious.

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Green ideology is global; organized environmental awareness dates back to the late 19th century in Europe and the United States as a counteraction to the Industrial Revolution. Green economics stresses the importance of balancing economic growth with ecological health. The goal of GoGreen is to improve DHL's CO2 efficiency by 2020 in all departments by 30 percent. The company received distinction as a "selective landmark" in the 2009 Land of Ideas initiative. DHL offers competitive innovation through climate protection. To be economically competitive and environmentally conservative DHL provides customers with an opportunity to reduce carbon footprints in a way that actually increases that customer's green initiative and climate awareness.

DHL is in a great position to promote green ideology. Offering GoGreen products, DHL is the first logistics company to offer consumers carbon neutral packaging, a competitive innovation in the transportation and logistics industry. Consumer demand for an economic and environmental equilibrium is growing; the demand is not primary across all markets, but it is evident. A 2010 Clownfish study shows luxury consumers make purchasing decisions based on the perceived value of the product and not exclusively if that product arrives in green packaging. But don't rule them as environmental enemies. They want to know what's in it for them—so tell them.

Packaging that is beautiful and biodegradable. Paper-based plastic wrap instead of oil-based bubble wrap. Recent studies show half of those surveyed would pay 20 cents more for biodegradable packaging in lieu of petroleum-based plastic. Eco-friendly benefits the environment and the bottom line. But how can we, as consumers, know when our packaging is truly recycled and not just flimsy. Enter the FTC and "The Green Guides".

Guides Gone Green

Perception is reality. And perceived value can be cheaper to produce than the actual product. The luxurious lipstick you bought comes in a box that says "recyclable". The lipstick can be recycled, or just the box, or both? A matter of interpretation or intentional deception. The Federal Trade Commission (FTC) offers "The Guides for the Use of Environmental Marketing Claims"—or more familiarly "The Green Guides". The Green Guides define what constitutes interpretation, substantiation, and deception when labeling your packaging eco-friendly.

Being eco-friendly should be a strategy for differentiation, not deception, and UPS realizes and upholds this economic and environmental initiative through its Eco Responsible Packaging Program. You don't get the label if you don't pass this test, and you don't

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keep the label if you don't remain compliant. The Eco Responsible Packaging Program evaluates three areas of a shipper's packaging—materials content, right sizing, and damage prevention. Only the secondary packaging is evaluated, not the manufacturer's packaging. UPS evaluates the sustainability of the transportation packaging and its fill content, e.g. bubble wrap, and the packages that pass participate in the Program and carry the Eco Responsible Packaging logo. Those who do not pass are encouraged to visit the UPS Package Lab and receive guidance on how to become more eco-friendly—economically and ecologically.

The Size is Right

Shock, vibration, compression—this is what your package is exposed to each time it gets sorted in a hub or station and loaded on the van. A package traveling a mere couple hundred miles may be loaded and reloaded as frequently as five times between truck, terminal, and hub. Handling can range from manual to machine sortation, which is why the Guide to Packaging for Small Parcel Shipments warns both shippers and recipients the big “Keep Upright” label on the box is not a guarantee it will be. The report succinctly explains transit orientation may be different than intended orientation. The intent is valid; a package being handled five times is going to travel on numerous belts and down numerous chutes. Carriers offer definite delivery times so these packages need to be scanned quickly and moved to the next destination. Therefore package handlers will sort the packages in a manner the keeps the center of gravity low, so the package is not top heavy and risks falling off the belt, and keeps the label visible at all times. Over two million packages move through the FedEx Memphis hub per day; damage prevention is a necessity, not a luxury.

Not only is your package moving on the belt in perhaps an unintended position, but with two million packages moving along with it, rest assured it is being stacked at some point. Package handlers do not stack one package on top of the next in a columnar fashion but rather the packages are interlocked. The goal—to securely move as many packages as quickly as possible. The concern—compression. The report warns shippers using corrugated boxes the box strength, when interlocked in transit instead of column stacked, reduces by up to 50 percent. Handlers try to keep the heavier packages on the bottom of the stack, but since packages are stacked and loaded as they are received, smaller less dense packages are subject to supporting the weight of the package wall.

Compression is not exclusive to stacking. When a sortation belt jams packages can slam into each other and continue to press together until the jam is alleviated or the belt is turned off. Compressive forces can impact the top and bottom as well as the sides of the package. Palletized packages are frequent victims of dynamic compression, which is why shippers are encouraged to consult their carrier's package testing lab to verify the durability and sustainability of the package composition before using it to send merchandise. If you are at 50 percent of your strength you are also at 50 percent of your support, which now introduces the elements of shock and vibration. Shock occurs when a package is dropped or rattled by another package. Packages rarely fall flat; they normally strike an edge or corner or hit the bottom surface of the package when they land. This impact can cause abrasions to the package surface or tear the packaging entirely, now subjecting the contents to damage. While not frequent it should be noted packages can and do fall from significant heights of over 30 inches. To ensure some level of protection a two inch buffer should be allowed on each side between the product and the packaging.

As trucks, aircraft, and sortation belts move they create levels of vibration. Vibration varies from a steady constant hum to a several pinpointed sharp jolts. Packages on a trailer driving cross country are subject to vibration for days. This constant movement can loosen closures and weaken packaging as well as shift the package contents, resulting in pressure points on the box, bag, or container. Two additional packaging hazards to consider are climate and altitude. Contractor vans are not air conditioned so if it is 100 degrees outside the van it is 100 degrees inside the van. Likewise if the van is traveling through below zero temperatures the packages are

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below freezing as well. Most cargo jets are pressurized, but trucks can hit altitudes over 10,000 feet. If your product is combustible or alive climate and altitude are pivotal hazards for it.

It's Easy Being Green

We want to be green, and FedEx will make sure we are. You need to sign a document for work and return the paper to your employer. Instead of using a plain white potentially non-green envelope FedEx offers the reusable envelope. You can actually use the same envelope more than once. After you pull the tab to open the envelope a second adhesive tab is available to reseal the envelope—being green is as simple as peel and stick.

The USPS is the first certified Cradle to Cradle carrier. What is unique about this certification is the eco-friendly concept is not limited to the end product but promoted from initial design to final deliverable. A product that can be recycled safely is important but so is how much energy and water are consumed in creating the product. To highlight their awareness of the carbon footprint the USPS reminds consumers they come to our homes almost every day of the week anyhow so why not keep online deliveries with the USPS and create a new friendly footprint for ecology and the economy.

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