The European snack foods division had been watching the reaction of the market in the USA to PLA packaging. This was a new format of packaging in the marketplace. The packaging team, alongside marketing staff and some other decision makers, had communicated with the American division a number of times, and received additional reports and research results from them. The marketing team undertook a small project internally, in order to consider the possibility of adopting the packaging.

The marketing team’s investigations highlighted a key concern: that the firm “could not guarantee that the corn was not genetically modified… or at least small parts of it could be” [BB24]. Adopting the packaging would therefore carry a risk. The team was very nervous of this; there were concerns that it would be “caught out by the press and receive negative publicity”. One interviewee exclaimed: “Can you imagine the front page spread on the papers?” [BB24]. Indeed, the level of concern of GM was also illustrated all the firm’s UK corn products being sourced from European suppliers, to avoid any possible content. Given this, the team considered it was unfeasible to adopt the format across Europe.

The decision to reject PLA was further informed by four issues:

1. First, results from the US market had raised issues regarding the noise of the packaging when consumers were opening and eating the product. There were concerns that “it can’t be used in a cinema, as it is just too noisy” [BB24].
2. Second, whilst the biodegradable PLA packaging had environmental benefits, it was not actually seen by many consumers as being environmentally beneficial. Many simply associated it with plastic, which was inherently perceived as being bad for the environment.
3. The PLA packaging required some changes to the production line. The material would not run reliably on the existing machinery, and was prone to being damaged, generating additional expense. Unit costs were also higher.
4. Finally, the packaging had a shorter shelf life than a traditional pack, and was also unsuitable for all products. For example, the US trial applied it to ‘Sunnies’, which was very shelf stable, minimizing degradation. Thus its adoption could “…potentially increase waste, with negative impacts on us and potentially our partners…. this would not be well received in the supply chain” [BB21].
Following these investigations, the team presented their results at a meeting with key decision makers. It was agreed that these inherent issues and shortcomings needed to be overcome before it would be viable within Europe. A buyer gave his perspective on this decision: “There seems to be little benefit in using PLA, but a lot of risks…. how can we justify an increase in costs when consumers don’t even perceive the change positively?” [BB25].

The packaging team was to continue monitoring the progress of PLA. However, should the technology become viable, significant barriers still existed precluding its adoption: “When developing more significant and radical new products we tend not to want to use a radical pack, as this increases risk further… but… when projects focus on existing brands we also don’t want to risk that brand with radical new packaging…. [as a result]. There are significant barriers to change” [BB21].

8.5.7 Summary of Case Findings

This case study examined four projects. Whilst they are all relatively different, they consistently highlight two issues. First, the nature of high volume snack foods consistently acted as a barrier to change, due to implications on both unit and production costs. Second, as a result of these barriers, the company primarily worked with design firms in NPD projects, and utilised existing suppliers to provide a costing for an existing format, with minor surface changes. It was also notable that packaging staff were particularly orientated to examining engineering issues, further promoting focus on the production line.