



EXECUTIVE SUMMARY

Beyond the Plastic Bag

LEARNINGS FROM THE FIRST-OF-A-KIND
REUSABLE BAG PILOTS WITH CVS HEALTH,
TARGET & WALMART IN CALIFORNIA IN 2021

To visit the full report, please click [here](#).

About the Center for the Circular Economy at Closed Loop Partners

The Center for the Circular Economy ("the Center") is the innovation arm of Closed Loop Partners, a leading circular economy-focused investment firm in the United States. The Center executes research & analytics and unites organizations to tackle complex material challenges and implement systemic change that advances the circular economy. The Center brings together designers, manufacturers, brands, recovery systems operators, trade organizations, municipalities, policymakers and NGOs to create, invest in and support scalable innovations that target big system problems.



About the Consortium to Reinvent the Retail Bag

The Beyond the Bag Initiative, launched by the Consortium to Reinvent the Retail Bag aims to identify, pilot and implement viable design solutions and models that more sustainably serve the purpose of the current retail bag. Closed Loop Partners' Center for the Circular Economy launched the initiative with Founding Partners CVS Health, Target and Walmart, alongside Sector Lead Partners, Supporting Partners and Environmental Partners. The Consortium's Innovation Partner, IDEO, worked closely with Closed Loop Partners and our retail partners in designing and running the reusable bag pilots that took place in Northern California, and are the subject of this report.



THE CHALLENGE

Why does the single-use plastic retail bag need reinventing?

It's estimated that we use 100 billion plastic bags per year in the U.S. alone and fewer than 10 percent of these are recycled. While the convenience of the single-use plastic retail bag can't be disputed, the negative impact — considering its short use (12 minutes, on average) and long estimated lifespan — have led to rising customer concern, advocacy campaigns and regulatory bans and fees.

This is a challenge that is top-of-mind for communities and customers concerned about the impacts of single-use plastics on our environment and oceans, as well as for brands seeking more sustainable solutions. Current alternatives can be costly and inconvenient, often trading one environmental issue for another.

We need to move away from our current linear take-make-waste economic system and “disposable” culture, and toward a more circular economy in which materials are shared and re-used.



INTRODUCTION

Where did the Consortium to Reinvent the Retail Bag's 2021 pilots focus?

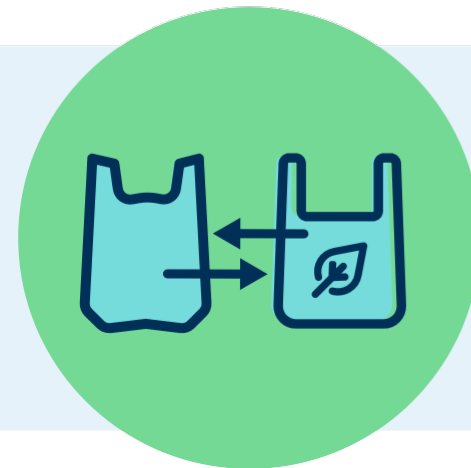
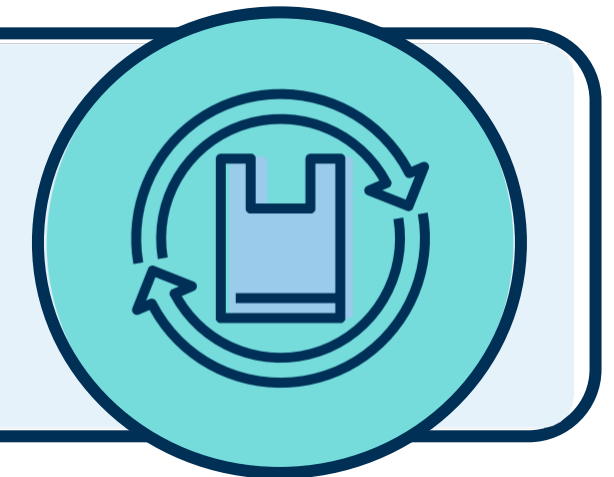
The Consortium to Reinvent the Retail Bag focuses its efforts across three core, interconnected workstreams to ensure a holistic approach to addressing a systemic waste challenge.

This document is an executive summary of the [Beyond the Plastic Bag report](#), which shares learnings, insights and data from the Consortium to Reinvent the Retail Bag's 2021 pilots in California. The pilots focused on reuse, including testing reusable bag service models in which customers "borrow" a bag onsite and reuse it before eventually returning it at the same or different retailer's store to be washed, distributed and reused by additional customers.



REDUCE the total number of single-use plastic bags used through education, incentives, nudges and policy

REUSE existing reusable bags that you have at home or "borrow" one as part of a reusable bag service



SWITCH to single-use bags made of renewable materials when reusable bags aren't an option and the necessary recycling or composting infrastructure is in place

INTRODUCTION

Why does reuse matter?

After decades of relying on a take-make-waste system, the economic, environmental and social consequences have become clear, and we need a better way forward — one that considers materials as resources, not waste.

Reuse models play an important role in this shift, and we need to determine what it will take to scale accessible, convenient solutions for a circular economy. It's critical that we get this right if we're to achieve our goal of reducing plastic waste. If we want both adoption and lasting change, we need to develop reusable bag systems that seamlessly integrate with retail operations and are easy to use for consumers and businesses alike.

We learn more with every different test and iteration, benefitting from additional data points and pressure testing of new systems. Most importantly, the overall impact of reuse models depends on our willingness to collaborate across all aspects of the system — forging innovative new partnerships, advancing sustainability initiatives and developing new products and ways of collectively operating.

Ultimately, this collective action will enable us to accelerate the catalytic change necessary to transition to a more sustainable retail system.

WE KNOW REUSE MODELS MUST:



1

Have a positive environmental impact



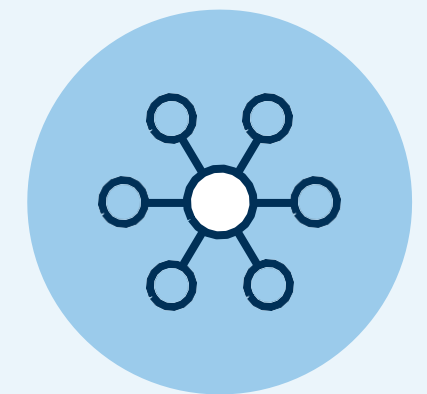
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Provide a seamless, convenient experience for companies and customers



3

Be safe and hygienic at every step of the process



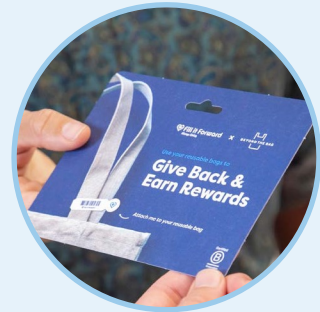
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Be inclusive and accessible

Source: [Bringing Reusable Packaging Systems to Life](#), Closed Loop Partners, 2020

PILOT SUMMARY

What we did, what we learned and how to scale



WHAT WE DID

Collaborative Pilots in Action

Joint Reusable Bag Pilots at CVS Health, Target & Walmart Stores

Closed Loop Partners undertook first-of-a-kind joint retailer pilots to tackle single-use plastic bag waste. Leading retailers collaborated with one another, customers, innovative reuse startups, environmental organizations and team members across stores to test reuse models with the shared goal of achieving a circular future for retail.

From August to October 2021, Beyond the Bag Challenge winners ChicoBag, Fill it Forward, GOATOTE and 99Bridges piloted their reusable bag solutions and/or technologies across nine stores of the Consortium's Founding Partners — CVS Health, Target and Walmart — in Northern California.

INNOVATOR SOLUTIONS



CONSORTIUM FOUNDING PARTNERS



WHAT WE LEARNED

Learnings From Across the Reuse Journey

The Key Moments Universally Applicable Across Reusable Bag Services

Across the customer retail experience for reusable bag services — from the moment of awareness, to adoption, reuse & return, and continued participation — there are multiple logistical and emotional factors that contribute to success. As such, there are touchpoints throughout the customer journey that serve as critical opportunities to make a case for participation.

When retailers begin testing and implementing reusable bag services, the journey of the packaging starts to look quite different, and retailers must seek opportunities to optimize the experience.



HOW TO SCALE

Partnerships Accelerating Scale

Best Practices for Replicable Multi-Retailer Reuse Programs

We explore the dynamic interplay and opportunities for collaboration that come to life when multiple retailers work together on reuse, demonstrating a pathway forward for scale. Moving away from siloed individual retailer efforts helps fast-track potential for collaboration that can be iterated on in multiple reuse scenarios.

Ultimately, collaboration is the key to unlock pathways to scale reuse systems, and transition from our wasteful linear system to a future built upon circular systems that are affordable, convenient and protect the environment we share.

There are numerous areas for collaboration including:



WHAT WE DID: COLLABORATIVE PILOTS IN ACTION

What did pilot execution look like?

APPROACH

Across the Founding Partners' – CVS Health, Target and Walmart – select stores, customers were able to sign up and try these new solutions, whether it was to borrow, be incentivized to or receive reminders to use a reusable bag.

Together, we observed customer interactions and learned alongside employees to identify opportunities for service improvements.

GOALS

- Learn about operational fit by introducing solutions in stores, exploring employee interaction, and spatial and flow realities in the built environment
- Learn about customer appeal by allowing organic interaction with solutions across the shop floor
- Learn about collaboration and exchange by promoting the availability of solutions across retailers, and observing bag movement between retail stores
- Identify, build and test the most impactful product and service changes

9

RETAIL
LOCATIONS



6-10

WEEKS OF
TESTING



4

REUSABLE BAG
SOLUTIONS TESTED



5

CITIES
TESTED



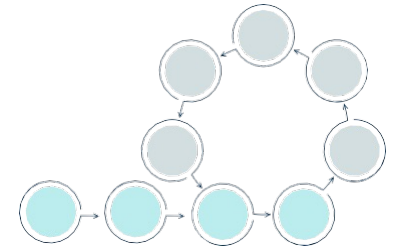
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STATE
TESTED



WHAT WE LEARNED: LEARNINGS FROM ACROSS THE REUSE JOURNEY

Key takeaways from the customer-facing journey for reusable bag services



There are four key steps to a reusable bag system that apply across solution types:



1 AWARENESS

Effective storytelling is foundational for building awareness.

Punchy, colorful and impact-oriented messaging is essential to engage customers

Attention is hard to come by amidst abundant signage and product both in aisles and at checkout. Customers on a mission for premeditated purchases are not in an exploratory state of mind and can easily bypass new offerings. A strong and clear value proposition helps capture attention and build awareness.



2 ADOPTION & SIGNUP

Convenience is king when it comes to adoption and signup.

Reuse needs to be just as easy as the single-use option

Customers expect signup to be easy and match the ease and speed of the retail experience they are moving through in parallel — browsing or checkout — as they work swiftly to finish their shopping trip. The social pressure of a long line and the stress of navigating self-checkout technology compound. Forming a relationship with a new service via signup also brings up hesitation around trusting vendors with personal data.



3 USE/REUSE

Customers are looking for a clear and easy reason to help them remember to reuse.

There are two kinds of motivations — rewards and environmental impact

Reuse requires premeditation. Customers are looking for a clear and easy reason to reuse to help them remember. There are two kinds of motivations — rewards and environmental impact. A familiar model offered up as an analogy, such as a rewards membership, helps customers to understand the offering more quickly.



4 RETURN

Accessible drop-off points and quick confirmation of return build trust.

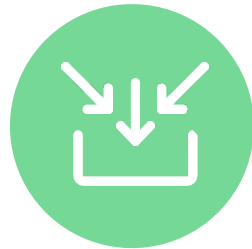
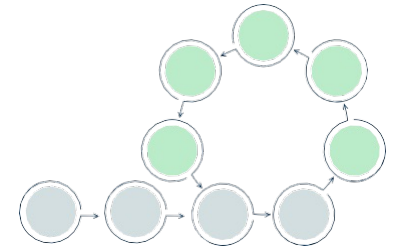
Ease of returns is a key factor for customers as they consider reuse

Customers factor in the task of returning their reusable bag when considering engaging in a reuse service system in the first place. Therefore, availability, accessibility and ease of drop-off points for returns are key, alongside instant verification that returns have been successful, so as to build confidence in the system. Reuse solutions should minimize the responsibility of return on the customer, as it can be a barrier to adoption.

These key journey moments are universally applicable across reusable bag services. These moments may take different forms and add additional steps as needed by individual use cases and solution types.

WHAT WE LEARNED: LEARNINGS FROM ACROSS THE REUSE JOURNEY

Key takeaways from behind the scenes



Collect

Streamlining service nodes and processes, such as bundling reusable bag pick up and drop-off, will reduce the costs and environmental impact of managing cleaning and return reverse logistics, including carbon impacts of transportation.

FOR FURTHER EXPLORATION

- Explore partnership opportunities to integrate into existing waste management collection routes and/or to leverage empty trucks that leave retail locations every day

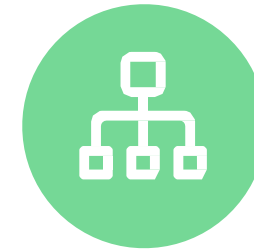


Wash

Washing is currently comprised of largely patchwork, temporary solutions. To minimize resource impact and create consistency for measurement, the reuse economy should work with key partners to scale up this much-needed service.

Economies of scale factor in here, with both resource and economic benefits seen at higher volumes.

- Standardized washing methodologies could help this service scale more quickly
- Consider ways to incentivize the market to meet these needs



Distribute

Distribution centers should prioritize optimization strategies and tools, for example using renewable energy, consolidating batches and distribution routes of reusable bags, and encouraging shared structures around inventory and data management.

- Evaluate co-location and consolidation opportunities, for example distribution should ideally happen with another event (e.g., weekly stock distribution is an opportunity to collect dirty bags and drop-off clean reusable bags)



Stock

Design innovation will be critical to ensure that retail operations will not be impeded but enhanced by reuse. Today, reusable designs can take up a lot of space and are hard to “demand plan” for because we don’t know when a customer will reuse their product. With time, we anticipate that design will improve (e.g., nestable reusable cups) and we will need less stock because reuse is the common behavior.

- Encourage design innovation to prioritize compactness and easily nestable reuse designs that take up minimal space when stocking in stores

HOW TO SCALE: PARTNERSHIPS ACCELERATING SCALE

Collaboration is a key enabler of scale

The multi-retailer Beyond the Bag Pilots positively impacted all aspects of the reuse experience — from awareness, to adoption & sign up, use/reuse to return.

CUSTOMER FEEDBACK

“
I saw this at Target, and CVS. I only decided to use it after seeing it here (at Walmart) as well.”

“
I go to all of these stores. If I can get rewards for all of these, I would be very interested.”

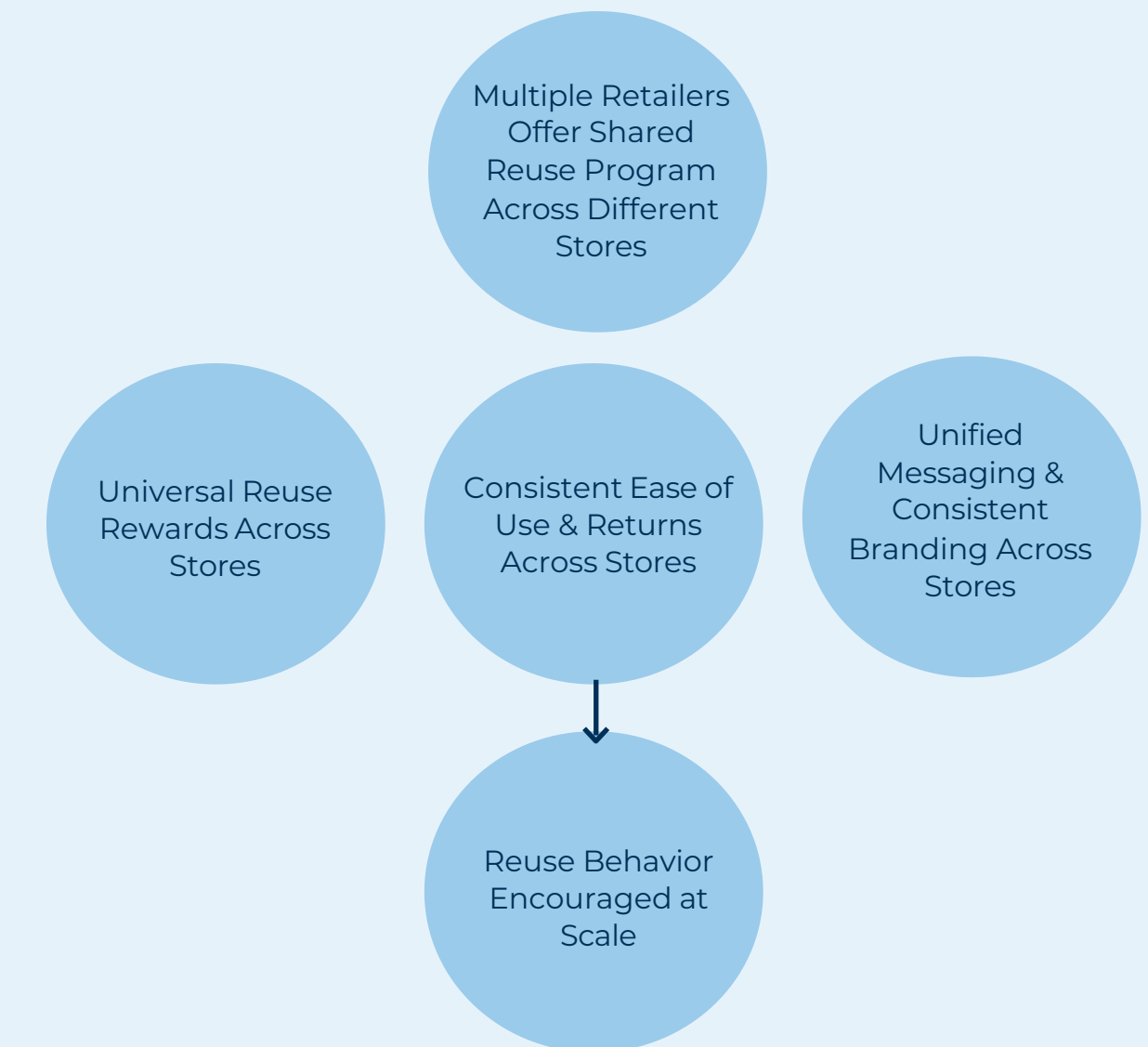
“
The biggest question we get from customers is where else can I use this?”

“
For me, returning the bag depends on how widely this program is run. [...] This kind of kiosk has to be pretty much everywhere I shop.”

UNIVERSAL INTERVENTIONS ACROSS MULTIPLE RETAILERS

Two elements we intentionally considered in the design of the multi-retailer pilots were:

- 1 Universality:** where can the reuse experience be the same across retailers?
- 2 Additivity:** how can multiple interventions build on each other through the steps of awareness, adoption, use/reuse and return to promote reuse behavior?





If you'd like to learn more, please follow the link [here](#) to access the full report.

Thank you to all the partners in the Consortium to Reinvent the Retail Bag, as well as the cities, customers, supporters and participating Beyond the Bag Challenge winners, who enabled us to bring these pilots to life.

CONTACT US

All inquiries can be directed to admin@closedlooppartners.com

Photos of the pilot featured throughout the full report or in this summary were taken by Kelsey Floyd, kelseyfloyd.com

