

Andrew Hoffman

Loop: Eliminating Single-Use Plastic through Reusable Packaging and the Circular Economy

Loop's Chief Marketing Officer Merrick Smytheⁱ anxiously refreshed the dashboard showing the pilot results for the third time in less than a minute. In December 2021, the company had pivoted to partnerships with national grocers and quick-serve restaurants to scale its innovative packaging reuse model—a move that had come on the back of lackluster results in the online pilots. Loop's previous e-commerce model preserved convenience for the consumer experience, but operations proved too costly to compete with the traditional single-use packaging model Loop intended to replace. Smythe reflected on the unique positioning of Loop's parent company, TerraCycle, to revolutionize consumption through its deep network with Fortune 500 companies facing mounting pressures by consumers to account for the full life cycle of their products. Orchestrating a solution of this magnitude would require consumer behavior and reverse logistics changes at a scale and speed that were inconceivable just years ago.

Adding to the pressure, in November 2021 TerraCycle settled a lawsuit alleging greenwashing via misleading recycling claims. While Smythe was confident about the authenticity of TerraCycle's mission to deliver sustainable outcomes, she questioned if Loop could achieve the environmental benefits and long-term profits this new circular economy business model promised. She refreshed the screen once more and wondered if there was something she was missing.

Context: Single-Use Plastic

The Plastics Problem

During 1950-2020, global plastics production increased from 1.5 million tons annually to at least 322 million tons and was expected to double by 2050.¹ For each ton of plastic produced in 2021, it was estimated that 11% would end up in the planet's aquatic ecosystems, 80% would be landfilled, and only 9% would be recycled.^{2,3} While 94% of Americans supported recycling, only one in three recycled, with the disconnect stemming from inconvenience, lack of access to recycling programs, and confusion over what

ⁱ Merrick Smythe is a fictional character.

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