

# The dichotomy of sustainable packaging for music

In the face of declining CD sales, Debbie Galante Block examines how music labels also have to weigh up added value through special packaging against the current urge to “go green”

It's certainly a dichotomy in the entertainment business these days. With music downloading changing the climate of business, many labels are looking at special packaging to boost sales. However, there is the other side of the coin that calls for reduced packaging or, at the very least, sustainable packaging. How are content providers dealing with marketplace demands?

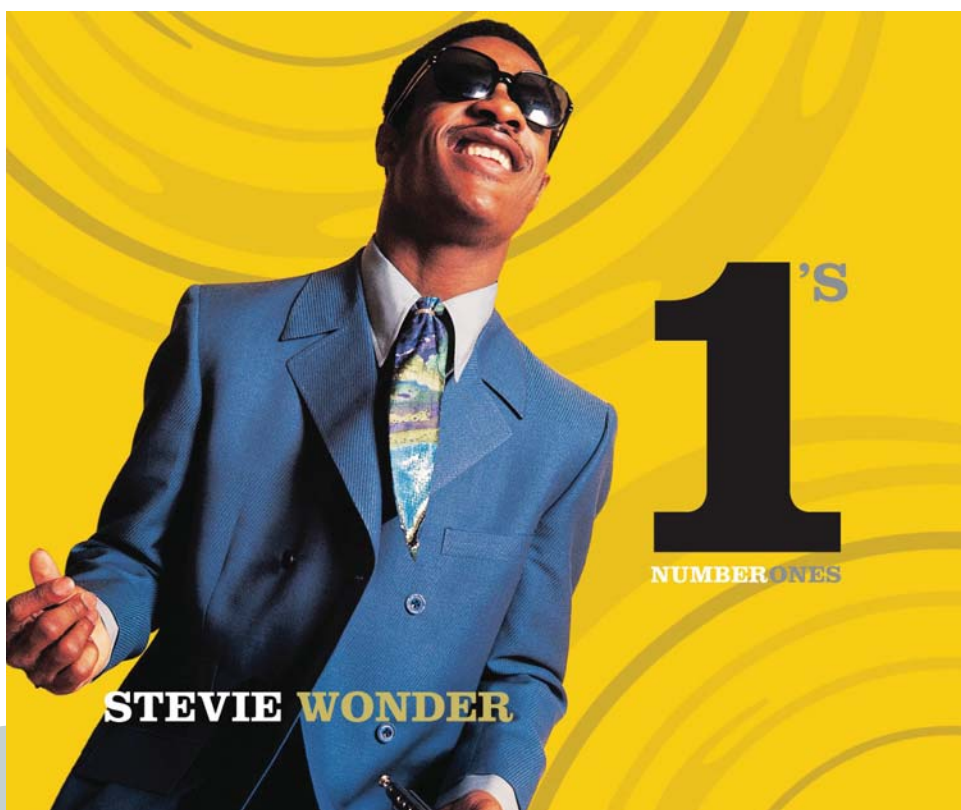
David Abdo, vice president production and asset management, Disney Music Group, says that at this point they are experimenting. While on the surface, it is commendable to use recycled paper, Abdo says, it is also important to analyse the true impact of that decision because unintended consequences may occur.

“For example, you may be using recycled paper, but recycled pulp is shipped across the country, using three or four times the net renewable energy that other paper might not use. Yes, you're saving virgin tree fibre, but at the same time, your carbon dioxide output has gone way up.” Abdo admits there is no right answer. If the goal is to reduce overall energy consumption, then there is a different set of tactical tools to implement than there is for someone whose goal is to reduce virgin tree fibre consumption or reduce plastic consumption.

Disney Music is working with all of its suppliers and all of its partners to determine its actual position with respect to the type of packaging used. “That includes everything from the type of energy we receive and generate to the amount of energy we receive for the process. How much energy goes into making the plastic? How many trees do we use? How much of the material is recycled or can be recycled? We are also looking at all energy alternatives, so we can compare apples to apples.”

## Special yet sustainable

Recent projects from Disney include a special edition *High School Musical 2* package, exclusive to Wal-Mart. It includes a CD soundtrack and an exclusive DVD featuring the cast actually recording, interviews and collectable cast photos. It is in a Digipak configuration, but is made from 100% recycled board. The paper material inside, such as the trading cards, is also 100% recycled paper. The 100% recycled trays that are used on in this packet as well as the Jonas Brothers' self-titled CDVU+ (more on this later) are new from AGI and are made with 35% post-consumer content.



Stevie Wonder features in Universal Music's Number 1s series

“These trays are made exclusively by Polymatrix and are available in both 5-inch CD DigiTrays and 7-inch DVD DigiTray sizes,” according to Sam Gay, vice president, sales at AGI. The tray is clear and has the same physical properties as virgin polystyrene.

What might be good news for the environment and the fans, however, might not necessarily be good news for the packaging industry. The Jonas Brothers, a young boy band who received a lot of publicity this past summer, released their album on Disney's Hollywood Records in a shrink-wrapped Digipak with no booklet or J-Card. This release is the first in its new line of CDVU+ products that offer a ton of digital extras like pictures and interactive content both on- or off-line, with updatable information.

Ken Bunt, senior vice president, Hollywood Records, says, “There isn't the sense of urgency to buy a CD that there once was. There is so

much music out there for free. We thought, ‘How do we re-engineer the CD so that it is an exciting experience again?’ We then thought, ‘Let's try to do something that is laid out in a digital magazine format.’” The content is meant to read like a digital magazine. In fact, the company enlisted the services of Zinio, a leading digital publisher of magazines and books which securely delivers and sells digital editions of product publications.

Coupling the digital magazine concept with the Jonas Brothers' demographic – pre-teen and teen girls who are very aware of environmental concerns – Hollywood Records and the band came up with the package concept. “We thought, ‘How about making a package from 100% recycled material?’ The band loved the idea. We simultaneously reduced packaging and offered consumers something different and special,” says Bunt.

After surveying those who bought the *Jonas Brothers* CD, Hollywood Records discovered how truly important the ‘green’ concept has

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become. "While we knew eco-friendly packaging is important to young buyers, we found that – aside from the videos and photos available – their next favourite thing about the release was that the package was made from recycled material. They cared more about that than the lyrics. It has been amazing," he adds.

### Saving money though basics

Recently released (end of September) from Disney Records' Lyric label is Rascal Flatts' *Still Feels Good*. Lyric produced the release's entire run on 30% recycled paper, especially made and formulated for that CD by Shorewood. John Matich, Shorewood's account executive, says that, due to the high volume, the CD needed to be in a standard CD jewel case for quick fulfilment. Shorewood presented many paper options and Lyric decided to go with the 30% PCW 100# Text C2S paper stock for both the 14-page CD booklet and tray card.

Disney is not alone in their quest for eco-friendly packaging. Universal Music's label Hip-O Records launched a music line, 20th Century Masters, in October last year; that was released in paperboard sleeves with trays made from PaperFoam. The package reportedly weighs about half of what a



Disney's *High School Musical 2* package, exclusive to Wal-Mart

Davis, general manager and executive VP of Universal Music Enterprises. What makes a lighter package so important is that record labels allow returns, so CDs are shipped both in the stores and out of them. "With lighter packaging, we are saving money on both ends," he says.

Packaging on the Universal products mentioned above are basic, and include only the CD itself. "The interesting thing with booklets and extra packaging today is that the

WEA's primary packaging company is Ivy Hill. "They've worked with us to bring new vendors to the table. We've been working with Stora Enso, for example. They came to the table and stepped up and are now our primary paper vendor," says Jbara. "We are also beginning to work with plastics vendors who can bring preferable plastics to us. The goal is to start to increase the use of non petroleum based plastics. It is a confusing time for consumers, but we are absolutely in support of, and pretty bullish on, physical product."

Part of the strong support of physical product is a new product from Warner Music – MVI, or Music Video Interactive. The format, which was debuted this past May with Linkin Park's *Minutes To Midnight*, promises "three zones of content". Aside from the high fidelity music (better than a CD) and video content, there are "killer apps" available through interactivity when the MVI is put into a PC or a Mac. For example, the user can acquire the perfect ringtone, or remix the music. There are many aspects of it that are ultimately green as a result of the fact that it is a physical product built for the computer-based music fan but, says Jbara, doesn't have a lot of packaging waste.

An important point made by Jbara has to do with decades of automation infrastructure that has allowed record labels to operate at such high volumes. When a label thinks about moving away from the jewel case, they still must try and come up with a solution that provides the same cost-effectiveness for retailers. "Also, you need something with basically the same form factor as the jewel case so it is durable enough to hold up in all of the automated assembly, sorting and packaging equipment. We can all go to environmentally preferred post-consumer board package tomorrow, but we'd have a dramatic impact on the overall capacity to get records out the door. It's expensive and slow. Tens of millions of dollars in capital expenditure going into the physical music business is hard to come by these days."

### Final analysis

Making their products and their procedures more environmentally friendly is a corporate initiative and, as a result, their creations go

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plastic jewel case weighs. Wal-Mart had a four-month exclusive on this product which did so well that it apparently became one of Wal-Mart's Value Producing Items (VPI), guaranteeing the product special promotions and store focus.

In February 2007, Universal launched the packaging to all the major retailers, such as Best Buy, Target, Amazon, and so on. In April, Universal launched a brand new CD line, Number 1s, in the same package, says Mike

web is so rich with content that there is nothing we could put in a book that is not already available," says Davis. Universal did a test upon the launch of the basic packages. They posted all of the booklets in PDF form on a website. It was free. The consumer didn't have to sign up or even give a name or e-mail.

However, Davis says, "The numbers of people that signed on to download the files were miniscule – less than one-thousandth of a percent." Davis did concede, however, that the typical buyer of these type of products historically hasn't been a person "super-interested" in the liner notes.

### Packaging programmes

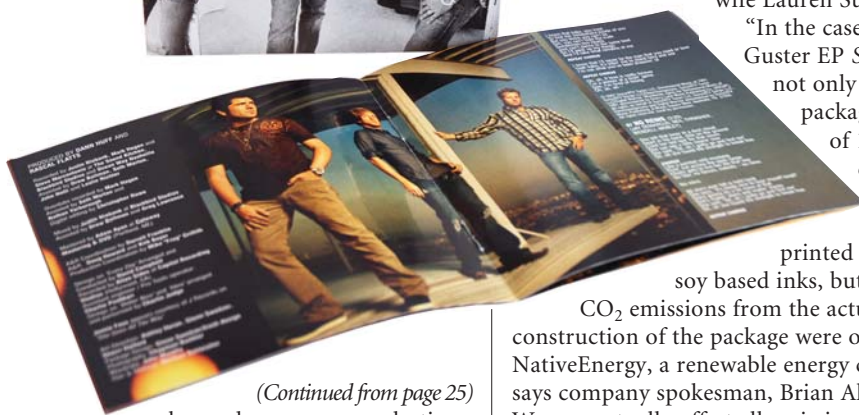
Warner Music Group has also taken a leap forward in terms of environmental packaging. "We are in the third year of our environmental programme, which has been led by our paper programme," says Mike Jbara, EVP and COO for WEA Corp. All paper and board has been converted to post-consumer content. "It includes all of our packaging as well as our office paper, printer paper and our paper waste management."



Hollywood records turned to AGI to provide 100% recycled packaging for the *Jonas Brothers*



per release what the carbon footprint is of each package. That analysis is done in conjunction with a company called Reverb, a non-profit environmental organisation based in Portland, Maine. Reverb was started up in 2004 by Adam Gardner of the band Guster (Warner/ Reprise Records) and his wife Lauren Sullivan.



“In the case of the Guster EP *Satellite*, not only is the package made up of 100% post-consumer recycled paper and printed with soy based inks, but the

CO<sub>2</sub> emissions from the actual construction of the package were offset by NativeEnergy, a renewable energy company,” says company spokesman, Brian Allenby. Warner actually offset all emissions for Guster’s entire catalogue retroactively, so not only the album, *Ganging Up On The*

*Sun*, and the EP *Satellite*, but all previous albums are all carbon neutral, according to Allenby.

Reverb’s goal is to “green up” the music industry. In addition to packaging-related goals, they analyse offices and work on band tours in order to reduce emissions there as well. Artists such as John Mayer and The Fray have worked with Reverb. According to WEA’s Jbara, offsetting the greenhouse gases of packages has become a component of packaging discussions with artists and managers.

Former Jane’s Addiction front man Perry Farrell’s new band, Satellite Party, has also released its debut disc, *Ultra Payloaded* on Sony Records, in an eco-friendly pack analysed by NativeEnergy. No one was available at Sony for comment.

Packaging remains confusing for content providers. Marketing in the music, movie and game markets is different, thus it seems no one solution will work for everyone. However, it is clear that consumers’ concerns for the environment are close to the hearts of all content providers and it will continue that way into the future as content providers, particularly music labels, grapple with the dilemma of how to get the balance between the physical media and the internet.●

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beyond paper versus plastic. WEA has also incorporated a carbon offset programme that allows them to calculate