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Sustainable Packaging Design for Start-ups Prospecting to Build Legitimacy

*An Explorative Case Study of Start-ups Using Sustainable Packaging Design as a Means to
Communicate their Core Values*

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Abstract

Title	Sustainable packaging design for start-ups prospecting to build legitimacy - An explorative case study of start-ups using sustainable packaging design as a means to communicate their core values
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Keywords	Packaging design, sustainability, start-up, legitimacy, customer co-creation, sustainable packaging design.
Thesis purpose	The purpose of this thesis is to provide a better understanding of how start-ups make use of packaging design in order to be perceived as legitimate in regards to communicating their core values related to sustainability.
Methodology	This research is of qualitative nature and the research design is intensive. Case study companies as well as their customers were interviewed in order to collect data.
Theoretical perspective	The literature discusses existing research from packaging design, sustainability, entrepreneurial and customer co-creation and legitimacy and states the gap in research in relation to the research question.
Empirical data	Three case study companies were interviewed as well as six customer interviews were conducted for the empirical data collection, with a total of eleven interview participants. The analysis of the data was guided by different themes which are packaging design in relation to sustainability, co-creation and legitimacy.
Findings/ Conclusion	According to the four subcategories, packaging design, sustainability, co-creation and legitimacy, various patterns emerged. Different means such as being consistent in marketing practices or forming partnerships with well-established companies can support start-ups in being perceived as legitimate.
Theoretical/ Practical implications	From a theoretical perspective, this thesis contributes to current research in the field of entrepreneurship, legitimacy, packaging design and sustainability. From a practical viewpoint, this thesis gives recommendations to entrepreneurs on how packaging design can help to communicate the start-ups' core values in order to be perceived as legitimate.

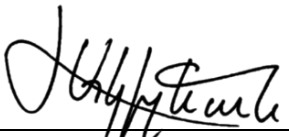
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Eugenie Aguilian



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1 Introduction

This chapter provides a short background about the study field of the degree project which stresses the importance of packaging design for start-ups in building legitimacy. Further, this chapter outlines the research purpose, followed by the defined research question. Finally, the thesis disposition is outlined.

1.1 Background and problem discussion

In the fast-changing world, businesses have to continuously adapt to the change in the external environment and rethink the value they offer. Start-ups have to be extra innovative in order to become part of the highly competitive business environment (Underwood, 2003). Many market trends suggest the increasing importance of the packaging design as a tool to communicate a company's brand and core values to the customers (Underwood, Klein & Burke, 2001).

As for today, the topic of packaging design has increasingly gained importance within the scope of marketing research where packaging design is investigated as a marketing strategy that could create a competitive advantage for companies (Rundh, 2009). So far, the packaging design is seen as the most important medium of communication between customer and the company (Behaeghel, 1991). The influence that packaging design creates on the customers when making purchasing decisions is thereby apparent (Underwood & Ozanne, 1998). Moreover, it is also important to consider certain trends in society. Sustainability is becoming a key focus point for companies to attract customers (Woodside, 2010). Therefore, not only the product packaging itself has to be made from sustainable materials but also the company values towards more sustainability communicated through the packaging design has gained importance (Woodside, 2010). Thus, sharing information in terms of the company's operations related to sustainability is crucial (Das, Galekh & Vonkeman, 2015).

When examining the importance of packaging design from the entrepreneurial perspective, the scope of research tends to shift and differ a bit from the marketing perspective. In an entrepreneurial context, it is apparent that newly established firms, start-ups, tend to face

challenges in using their packaging design to be perceived as a legitimate firm in the market (Underwood & Ozanne, 1998). Many start-ups face liabilities of newness because they lack a customer base (Stinchcombe, 1965). Because of the absence of some crucial resources, start-ups can fail to establish lasting relationships with their customers (Shams & Kaufmann, 2016). Thus, it is of vast importance for newly established start-ups to use sustainable and innovative packaging design for their products and use it as a tool to communicate their core values to the customers, thereby creating legitimacy (Rundh, 2009; Underwood & Ozanne, 1998). Another crucial factor for start-ups to consider is to co-create their products and packaging together with the customer. This can give valuable insights into customer preferences (Shams & Kaufmann, 2016). Thus, using packaging design as a means to communicate the company's core values related to sustainability and using customer co-creation to design the packaging, start-ups can take advantage in the market as a new entrant and cope with liabilities of newness (Rundh, 2009; Underwood & Ozanne, 1998). Using these different strategies start-ups could be perceived as legitimate. In other words, packaging design can help or be part of the process of creating legitimacy for start-ups.

Even though the popularity of the packaging design as a primary vehicle for communication gained vast importance for the companies, there is relatively little or no theoretical study focusing on the packaging design and examining its importance particularly from the entrepreneurial perspective (Underwood, Klein & Burke, 2001).

1.2 Research purpose

There exists much research on packaging design within the marketing scope (Rundh, 2009). The purpose of the study is to apply a new lens by challenging the view on packaging design from an entrepreneurial perspective. This research paper aims to demonstrate means on how packaging design can be used by start-ups to communicate their core values related to sustainability. A sustainable packaging design demonstrates a great way of implementing these core values. Thus, by using a sustainable packaging design, start-ups can be perceived as a legitimate company and strengthen their customer relationships. The findings of this research are beneficial for entrepreneurs as well as entrepreneurial scholars who aim to find ways on how packaging design can improve the start-ups' legitimacy.

1.3 Research question

The research question of this paper is the following:

How do start-ups use packaging design as a means to communicate their core values related to sustainability to the customers in order to create legitimacy?

1.4 Disposition

The thesis begins with the introduction chapter including the background and highlighting the importance of the degree project. In the second chapter, theoretical concepts and views are discussed in order to obtain a better understanding of different frameworks related to the field of this study. The third chapter presents the method used to conduct this research. In the fourth chapter, the results from the interviews conducted with the three case study companies and six customers were presented. While the fifth chapter analyses and discusses the primary data collected through the interviews supported by different theories from existing research. The last chapter concludes the paper by highlighting the main findings of this study, addresses managerial and theoretical implication as well as gives recommendations for future research.

2 Literature and theoretical review

This chapter begins with reviewing relevant literature, discussing different concepts, theories and studies. The literature which is reviewed to answer the defined research questions concerns the impact of packaging design, including innovative packaging design. Further, the literature relates to sustainability and sustainable packaging design. Lastly, existing research concerning legitimacy, liabilities of newness and co-creation is reviewed, followed by stating the gap in the literature in relation to answering the defined research question.

2.1 Packaging design

As customers are becoming more aware of their needs and at the same time they demand high-quality goods, companies face a challenge in meeting the competition considering the rising costs for marketing and brand management (Wells, Farley & Armstrong, 2007; Rundh, 2009). In order to be able to compete with the competitors, it is essential to understand the important role of the packaging design as the customers usually make their purchasing decisions based on the aesthetic values of the product (Wells, Farley & Armstrong, 2007). Thus, it could be argued that by improving the packaging design, companies can differentiate themselves from the competitors and use their packaging design as a tool to communicate the company's values to their customers (Wells, Farley & Armstrong, 2007). Other authors agree that the packaging design of a product plays a crucial role in being differentiated from the competition (Levitt, 1980; MacMillan & McGrath, 1997). According to Underwood (2003), the right packaging design is relevant to communicate the product's uniqueness and to differentiate at the point of purchase (Underwood, 2003).

According to Paine (1990), packaging design functions as a means to maintain product quality, meet customer's needs, meet legal requirements as well as communicate and sell the products to the customers. The packaging design is widely used to create brand impressions among customers and helps to form customers' perceptions of specific products (Azzi, Battini, Persona & Sgarbossa, 2012; Bloch, 1995). The authors (2012) argue that the packaging design is a critical factor in the customer decision-making process. Further, the authors distinguish five important aspects of packaging design. Those aspects are packaging design for safety,

ergonomics, sustainability, logistics and marketing and communication. All five aspects are interrelated to each other and are of high importance to consider when designing packaging design for a new product (Azzi et al., 2012).

The design of packaging contributes to the communication of value between the retailer and customer by helping the customer find a product on the shelf more easily (Rundh, 2009). Rundh (2009) argues that the packaging design of a product is the last communication a firm can use to get in touch with the customer before the decision regarding purchase is made. He further states that besides the proper shape, colour and balanced graphics of the packaging design, the companies might also consider the “workability” aspect of the packaging design which is the key to market success (2009). That is whether the packaging design functions well when being transported and when being marketed as well as if it is produced in a cost-efficient manner (Rundh, 2009). Moreover, Rundh (2009) argues that by involving the customer in the process of packaging design, start-ups can differentiate themselves as well as gain competitive advantage. In regard to the research question, the importance and influence packaging design has, is a crucial factor to consider. In the following section, there will be a special emphasis on innovative packaging design.

2.1.2 Innovative packaging design

Innovative packaging design can add value to the product in several ways. According to Goel and Sharma (2013), those different aspects of innovative packaging design are recyclability of the packaging design, non-breakability, the good look, the easy-to-store and convenience handling. These aspects have to be considered while designing the packaging design of the product in order to make the life of the customers easier (Goel & Sharma, 2013). To achieve this, companies have to look up for new ideas in product packaging design and make it convenient to use for the customers.

Besides these more traditional aspects of the packaging design, there are also emotional aspects that would be taken into account when deciding the design of the product. The products would not only be a problem-solver, practical and contain a meaning, it would also evoke emotional connections through packaging innovation (Matusow, 2019). This new way of product packaging innovation can be generated in different forms such as the product story (Matusow, 2019).

However, the future of innovative packaging design is mostly based on the sustainability aspects. The companies continuously work on finding new ways to decrease the pollution and waste their products and product packaging cause and look for redesigning their packaging design in order to achieve their goals (Matusow, 2019). Thus, for this research paper, innovative packaging design refers to its degree of sustainability such as the packaging material.

Another aspect of innovative packaging design which is relevant for this research is different attributes such as sharing information through the packaging design. Research demonstrates that different emotional appeals such as informativeness, or criticism have a strong effect on the customer's buying behaviour when used for advertisement (Das, Galekh & Vonkeman, 2015). According to Aagerup, Frank and Hultqvist (2019), information sharing concerning sustainability on the packaging design is way more effective than using such green claims in other advertising practices. Recently, an increasing number of companies are starting to use these attributes for their product's packaging design (Das, Galekh & Vonkeman, 2015). For instance, when a brand aims to communicate its core values and mission related to sustainability, certain information on the product packaging can increase the customers' attention and the willingness to buy the product (Spotts, Weinberger & Parsons, 1997). Thus, the use of certain information printed on the packaging can support the company in communicating its core values and mission related to sustainability.

2.2 Sustainability

Sustainability is defined by the World Commission on Environment and Development in 1987 as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987). According to Bansal (2002), the utilisation of natural resources needs to be sustained since it has a critical role in the quality of life of people. Three core pillars of sustainability were identified by the World Summit on Social Development in 2005 which are environmental, economic and social principles. As argued by Bansal (2002) these principles are dynamic as well as interconnected and need to be translated into business practices. Further, Spiliakos (2018) explains sustainability in business practices as the effect businesses have on both society and the environment to make a positive impact on either one of the areas.

2.2.1 Sustainability and packaging design

Sustainability is increasingly gaining attention among society and also in relation to product packaging design (Agerup, Frank & Hultqvist, 2019). For instance, customers are becoming aware of the negative impact plastic packaging design has on customer's health as well as on the environment (Pongrácz, 2007). This awareness even leads to boycotting products or brands which make use of plastic as their packaging material (Herbes, Beuthner & Ramme, 2018). It is obvious that packaging design does not only have an impact on the environment but also the product's shelf life or logistics (Herbes, Beuthner & Ramme, 2018). Therefore, it can be sometimes challenging for a brand to find the right equilibrium between the product's packaging environmental impact and other factors such as food safety regulations (Herbes, Beuthner & Ramme, 2018). In general, different authors such as Klooster (2002) agree on the fact that a product always faces a conflict between ecological and economic dimensions.

Entrepreneurs and product designers are facing various challenges, one of them being the ecodesign of their products (Svanes, Vold, Moller, Pettersen, Larsen and Hanssen, 2010). Svanes et al. (2010) argue that entrepreneurs or product designers might use a framework to design the packaging design to meet specific standards. Waage (2007) outlines a conceptual framework for packaging design and sustainability which consists of the following factors; defining issues related to sustainability, receiving feedback, communicating a sustainability context and access. Furthermore, other researchers developed different tools to assess the degree of sustainability concerning packaging design. For instance, Byggeth and Hochschorner (2006) demonstrated that ecodesign might focus on the following three dimensions which are ecological, economic as well as the product's social impact.

Moreover, the customer is looking at the sustainability credentials of the packaging design or on the credentials the product contains or for what the brand stands for (Woodside, 2010). Communicating sustainable values, can either focus on communicating sustainability explicitly by labels or words such as by storytelling or by implicitly standing for sustainability such as by the product's packaging material, colours or images printed (Woodside, 2010).

2.3 Legitimacy

Legitimacy is defined as positive judgements of worthiness, appropriateness and acceptance regarding an individual or a product/service (Nagy, Pollack, Rutherford & Lohrke, 2012). In terms of new ventures, legitimacy is described as an intangible asset that can enable the firm to cope with liabilities of newness (Nagy et al., 2012). The authors argue that new ventures face many challenges and one of the reasons a large percentage of new ventures fail is that they are not able to overcome these liabilities of newness. Thus, being perceived as legitimate by stakeholders can be beneficial for overcoming or reducing liabilities of newness in new ventures to become a successful business (Nagy et al., 2012). According to Nagy et al. (2012), overcoming liabilities of newness is relevant for strengthening the relationships with different stakeholders such as investors, customers or suppliers. As new ventures lack company reports, it is more difficult for them to build trustful relationships with different stakeholders (Nagy et al., 2012). The authors (2012) further argue that in terms of customer relationships, new ventures face challenges in pursuing potential customers relationships regarding the legitimacy of their product or service.

Communicating the legitimacy of a product is crucial for companies, especially for start-ups. The norm of legitimacy in terms of the packaging design of a product is understood as the communication based on a shared normative context (Underwood & Ozanne, 1998). For instance, if an organic food product is promoted by using natural colours such as green and brown the customer is more willing to buy the product than if the product packaging design colours would be neon orange (Babolhavaeji, Vakilian & Slambolchi, 2015). Reasons for this are that the customer associates certain colours with being healthy and others with being artificial (Babolhavaeji, Vakilian & Slambolchi, 2015). According to Underwood and Ozanne (1998), if a brand does not communicate through the packaging design for what the product stands for, then the norm of legitimacy is not being met. For a company to be perceived as legitimate, it is important that the goals of the new venture and the products are aligned with the vision and the belief system of the company as well as the entrepreneur's story (O'Connor, 2004).

2.3.1 Liabilities of newness

The concept of liabilities of newness was first introduced by Stinchcombe in 1965. The author analysed the effects of social and external factors on the internal life of organisations. According to Stinchcombe (1965), the reason behind the high early mortality rate of newly founded organisations is the existence of liabilities of newness. Newly established ventures usually face a lack of customer base which is associated with trust issues and inefficient marketing practices (Stinchcombe, 1965; Politis 2005). According to Stinchcombe (1965), it takes much effort to build a long-term customer relationship based on trust. Because the customer does not know any previous information and does not possess any knowledge about the product and never integrated before with the product (Stinchcombe, 1965), it is a challenging process until the newly established firms find ways to attract customers.

2.4 Entrepreneurial and customer co-creation

According to Shane (2000), the term entrepreneurship refers to the identification, evaluation and exploitation of opportunities. Entrepreneurial co-creation is defined as the entrepreneur's ability to identify, enhance, establish and maintain opportunities by strategically utilising its network of key stakeholders and use their dynamic capabilities and resources (Shams & Kaufmann, 2016). For value co-creation, it is important to maintain an entrepreneurial mindset and adopt a stakeholder-centric approach (Shams & Kaufmann, 2016). The value co-creation, the involvement of the key stakeholders, is becoming more important as the new businesses emerge in the highly competitive environment (Shams & Kaufmann, 2016). In order to be able to face the competition, start-ups have to ensure that they possess strategies to meet the competitive challenge (Shams & Kaufmann, 2016). When entrepreneurs together with the key stakeholders mutually utilise opportunities, value co-creation can be achieved (Shams & Kaufmann, 2016).

In traditional marketing, companies designed their products as well as the product packaging without taking the customer into account in the value creation process (Kim & Sullivan, 2019). With the introduction of IT in the past 30 years, the importance of value co-creation among entrepreneurs has been gradually increased (Shams & Kaufmann, 2016). According to Shams and Kaufmann (2016), by taking advantage of various web-based social media platforms, entrepreneurs can now easily find, communicate and get in touch with their key stakeholders,

particularly with their customers. This can enhance a closer collaboration and facilitate the idea exchange between the customers and the start-ups. Furthermore, it can be a very useful tool in having a better understanding of the customer's needs. By being present in the virtual environment, start-ups can use their time and resources smarter than ever to get the different stakeholders, particularly the customers onboard to the value co-creation process (Shams & Kaufmann, 2016). According to Prahalad and Ramaswamy (2004, p.8), this value co-creation is also called “joint creation of value by the company and the customer”.

According to Prahalad and Ramaswamy (2004), the role of customers is gradually changing from being isolated and unaware to more connected and from being passive to a more active stakeholder group for the company. The authors (2004) argue that the customer would be seen as one of the key actors and co-creators of the new product development process. According to Vargo, Maglio and Akaka (2008), value is often co-created by companies, employees, shareholders as well as government agencies. However, it is always the beneficiary, in other words, the customer who determines the value. By integrating different resources provided by the firm and other private and public actors, customers can take part in the value co-creation process for the firm (Vargo, Maglio & Akaka 2008). Thus, companies can co-create value together with its customers and lead innovation by developing products and services their customer wants or demands (Vargo, Maglio & Akaka 2008).

2.5 Gap in research

Globally, there exist many challenges linked to social, environmental or economic issues. One key aspect plays sustainability (Sarkis, Cohen, Dewick & Schröder, 2020). Therefore, there is a great need for innovative start-ups which contribute to a change in society and implement sustainability as one of their core values (Sarkis et al., 2020). According to Azzi et al. (2012), sustainability is one of the five most relevant factors regarding a product’s packaging design. Considering customers, sustainability is increasingly gaining attention, also in relation to product packaging design (Herbes, Beuthner & Ramme, 2018). Thus, entrepreneurs and product designers are facing various challenges, one of them being the ecodesign of their products (Svanes et al., 2010). The product packaging design has to meet social, environmental and economic standards which is not always an easy task to fulfil.

Start-ups have to be extra innovative in order to become part of the highly competitive business environment. Being perceived as legitimate demonstrates a great obstacle in order to become a successful company (Nagy et al., 2012). According to Nagy et al. (2012), building legitimacy helps to build a strong customer relationship. If a start-up does not communicate its legitimacy, it fails to overcome the liabilities of newness which demonstrates one of the causes for the high early mortality rate of newly founded organisations (Stinchcombe, 1965). If a new venture does not overcome its liabilities of newness, it faces a lack of customer base, which is associated with trust issues and inefficient marketing practices (Stinchcombe, 1965; Politis 2005). Stinchcombe (1965) further argues that newly founded organisations have to find their niche in the industry in order to distinguish from the well-established organisations and to be able to survive in the market. The product packaging design can support the new venture to attain competitive advantage as well as overcome liabilities of newness (Stinchcombe, 1965).

One effective tool to differentiate from competitors as well as being perceived as a legitimate company is an innovative packaging design in relation to sustainability. By focusing on a sustainable packaging design, the company can persuade the customer in their purchase decision process (Rundh, 2009). According to Matusow (2019), innovative packaging design mostly relates to its sustainability aspects such as the packaging material. Companies are continuously working on finding new ways to decrease the pollution and waste their products produce and are looking to redesign their packaging design in order to achieve their goals (Matusow, 2019). There exists much research in relation to packaging design from various perspectives such as from the marketing angle (Rundh, 2009). However, there is a lack of packaging research from an entrepreneurial perspective on how new ventures are using packaging design to gain a competitive advantage by communicating their core values.

As mentioned above, research demonstrates that packaging design has a great influence on the customers' purchasing intentions. This research paper aims to find out how start-ups use sustainable packaging design to communicate their core values in order to be perceived as legitimate.

3 Methodology

In this chapter, the method used throughout the thesis, the steps and the structure of the paper are described. The chapter begins by discussing the research approach and design. Further, the chapter presents the method of data gathering and the case study companies as well as customer interview profiles. This chapter continues with the data analysis, the quality of research and concludes by demonstrating the research limitations.

3.1 Research approach

This master thesis is a qualitative study as it allows to gain in-depth insights regarding the research question (Easterby-Smith, Thorpe & Jackson, 2015). A qualitative study enables researchers to understand the interviewee's viewpoint regarding a specific topic and why they are having a certain opinion and beliefs. Furthermore, the research design is intensive, as the aim of this study is not to get a broad understanding of how packaging design is used in different company sectors rather than focusing on a specific group, on young innovative start-ups which focus on sustainability and customer co-creation to be perceived as legitimate (Easterby-Smith, Thorpe & Jackson, 2015). In other words, this research is focusing on how innovative start-ups use packaging design as a means to communicate core values in order to be perceived as legitimate. In terms of inductive or deductive reasoning, this research design uses a mixed approach of deductive and inductive reasoning (Easterby-Smith, Thorpe & Jackson, 2015). A mixed approach is often associated with qualitative research, which allows depicting change between incidents over time (Bell, Bryman & Harley, 2019).

Further, secondary data was conducted to get a better understanding of the different topics such as packaging design, sustainable packaging design, customer co-creation, legitimacy and liability of newness which are all relevant for answering this paper's research question. Then, primary data was conducted to contribute to closing the gap in research and to challenge the view of how packaging design can be used in the context of entrepreneurship.

3.2 Research design

The research design is the “blueprint” of the research study as argued by Yin (2014). According to Saunders, Lewis and Thornhill (2012), the research design assists in answering the defined research question and determines how well it can be answered. The authors argue that the research design helps to select an applicable research strategy such as a case study related to qualitative research (2012). Case studies can be characterised as single or multiple characters (Yin, 2012). According to Yin (2012), case studies are used to evaluate a specific process. The starting point of the case study is that the author tries to obtain a deeper understanding about specific cases from the real world (Yin, 2012). It is important that the case represents the research question and the theoretical framework appropriately (Yin, 2012). Moreover, it is worth mentioning that the case studies are also beneficial when trying to explore previous phenomena from a new perspective and understand it in a different context (Skärvad & Lundahl, 2016). For instance, when examining a previous phenomenon from a different angle, the new context would be presented well in the case (Yin, 2012). The research design further provides a framework for the analysis and the gathering of appropriate data (Bryman & Bell, 2011).

The paper can be considered as explorative in its type since the purpose of the study is to evaluate and explore the packaging design in a new context from the entrepreneurial perspective. Multiple case studies are selected as the most suitable research strategy in order to conduct the research. In explorative studies, the primary data is usually collected through conducting case studies during which in-depth personal interviews with company representatives or experts are utilised (Skärvad & Lundahl, 2016).

3.3 Data collection

To conduct this research and answer the defined research question, both primary and secondary data were collected. Primary data was collected through semi-structured interviews (see the interview guide in Appendix A), with case study companies to have a better understanding about their different strategies in regards to their packaging design as well as semi-structured customer interviews (see the interview guide in Appendix B) were conducted to collect insights on how they perceive these start-ups. Secondary data was gathered through an in-depth literature review related to the concepts and studies required for the research to support the empirical findings.

Qualitative interviews demonstrate an effective way of gaining a better understanding regarding a specific phenomenon (Bryman & Bell, 2011). The main purpose of conducting an interview is to understand what the interviewee's viewpoint is and also why the interviewee has this particular viewpoint regarding a specific topic. Specific skills from the researcher are required in order to successfully conduct a qualitative interview (Bryman & Bell, 2011). For instance, it is crucial that the researcher understands the interviewee's opinion as well as supporting them in expressing their own beliefs. Interviews can be either highly structured, semi-structured or unstructured (Easterby-Smith, Thorpe & Jackson, 2015). For this research semi-structured interviews are more beneficial for answering the defined research question which allows gathering rich answers to conduct in-depth analysis (Bell, Bryman & Harley, 2019). Due to the uncertain times of the global pandemic, the interviews were conducted remotely via zoom. By conducting data triangulation, credibility in the findings is increased. Further, by having two interviewees from each start-up, it was easier to deal with limitations such as over-rationalization.

3.4 Case study companies

To gain valuable insights, three case study start-ups were selected to obtain a deeper understanding about how they utilise their packaging design as a means to communicate companies' core values and therefore build legitimacy. The selection criteria were based on four factors. First, the company would be a start-up, in other words, a newly established firm. Second, it would be founded in the European market so that all three case study companies operate in a similar business environment (e.g., regulations, culture and governance). Thirdly, the case study companies sell sustainable products which do not harm the environment. And finally, all three start-ups are innovative by using sustainable packaging design to communicate their core values. Based on these criteria, three start-ups were selected, Suntribe, Pandoo and Renjer, which operate in the cosmetic, household and food industry. With each of the three case study companies, two separate interviews were planned with two different people from each company (see the interview guide in Appendix A). Using multiple sources of data allowed a broader understanding of the utilisation of packaging design as a communication vehicle for each start-up (Yin, 2010). In this paper, data triangulation is used in order to enhance the quality and reliability of the findings (Bell, Bryman & Harley, 2019). According to Yin (2010), using multiple sources

of data helps to build validity because it provides multiple measures concerning the researched phenomenon. Further, it facilitates the evaluation of the trustworthiness of information (Easterby-Smith, Thorpe & Jackson, 2015). Unfortunately, the product manager of Pandoo cancelled the interview last minute. Therefore, we only conducted one interview with Pandoo instead of two. The qualitative data collected through the case study interviews corresponds to approximately 5 hours. In the following, the three case study companies are further presented. Table 1 below represents an overview of the company representatives.

Table 1 Overview of case study company representatives

Company	Name	Occupation	Responsibilities	Current location
Suntribe	Julia Beyer	Co-founder	Production, marketing, sales and product development	Sweden
Suntribe	Hampus Tarras-Wahlberg	Co-founder	Branding and B2B sales	Sweden
Pandoo	Miu Nguyen	Strategic marketing manager	Brand image, public relations and marketing	Germany
Pandoo	Magda Piller	Product designer	Product design	Germany
Renjer	Anton Vänskä	Co-founder	Italian and Finish market operations	Germany
Renjer	Alex Kirchmaier	Co-founder & company advisor	General management	Austria

3.4.1 Suntribe

Suntribe is a start-up that was founded in 2017 by three students from the Master's programme in Entrepreneurship and Innovation in Lund (Suntribe, 2021). The brand is producing worry-free sunscreen which only contains safe ingredients for humans and the environment. Its products are 100% free from synthetic chemicals, preservatives and perfumes. Its mission is to revolutionise sunscreens and raise awareness about how conventional sunscreens harm the ocean and human health. With its product design, the company differentiates from the competitors. Conventional products often use a plastic bottle to fill in sunscreens. Whereas Suntribe either uses the form of a stick or a dose both made from environmentally friendly materials. Through its packaging

design, the start-up communicates their values and differentiates from its competitors (Suntribe, 2021). The interviews with Suntribe were conducted with Julia Beyer and Hampus Tarras-Wahlberg. These two company representatives were chosen because they are operating in marketing as well as product development. Further, the two interviews were held separately and lasted an hour each.



Figure 1 Sports zinc stick



Figure 2 Zinc sunscreen

3.4.2 Pandoo

Founded by three German students, Pandoo began its operations in 2017 in Konstanz, Germany (Pandoo, 2021). Today, the company already has 22 employees and constantly grows. Pandoo offers a diverse product range from cosmetic products such as reusable makeup remover pads over household products such as reusable kitchen rolls. Most of its products are made from bamboo. Its mission is to reduce the negative impact conventional products have on the environment and limit plastic waste. One of the most crucial aspects of their packaging design is that it is made from sustainable material without plastic. Through their design, they clearly communicate their mission of reducing plastic waste and deforestation (Miu, 2021). The interview with Pandoo was held with Miu Nguyen. She was chosen for this research as she is responsible for marketing the products. The interview lasted a bit more than one hour. As mentioned before, the second interview with the product manager of Pandoo was cancelled last minute.



Figure 3 Bamboo toilet paper

3.4.3 Renjer

Renjer is a start-up founded by three students from the Master's programme in Entrepreneurship and Innovation in 2017 in Lund. The start-up produces high quality game meat jerky which is full of natural protein and does not contain additives. Through its packaging design Renjer communicates that wild jerky meat is a more sustainable alternative to conventional meat alternatives and better for the health and for the environment. Further, the company aims to use sustainable packaging as much as possible (Renjer, 2021). Two interviews were conducted with Alex Kirchmaier and Anton Vänskä. These two company representatives are chosen as they are responsible for marketing and product development operations.



Figure 4 Traditional packaging



Figure 5 Improved packaging



Figure 6 New packaging

3.5 Customer profile

With each of the three case study companies, two interviews with two different customers were conducted (see the interview guide in Appendix B). In table 2 the overview of the customer profile is demonstrated. The customers were reached on social media. The researchers measured potential interview partners by reviewing the follower lists of the start-ups' social media channels. Various potential interviewees were contacted and the most reliable ones were chosen to be part of the customer interviews. Most reliable relates to the purchase frequency of buying the company's products. The qualitative data collected through the customer interviews corresponds to approximately 6 hours as each interview lasted for approximately one hour. Customer interviews are crucial for this research as they provide another lens besides case study

companies. By conducting customer interviews, the topics sustainability, packaging design, legitimacy and customer co-creation were observed from a different perspective. Further, the customer interviews support or debilitate data from the case study companies (Easterby-Smith, Thorpe & Jackson, 2015). Therefore, it was crucial to include the voices of their customers. Table 2 presents different customer profiles by start-up name, general data, occupation, civil status and their current location. In order to ensure the protection of the participants' personal data, names were replaced by pseudonyms.

Table 2 Overview of customer profile

Customer	Start-up name	General data	Occupation	Civil status	Location
Lea	Suntribe	Sex: Female Age: 29	Lawyer	Married with children	Lund, Sweden
Jim	Suntribe	Sex: Male Age: 35	Accountant	Single	Malmö, Sweden
Marie	Pandoo	Sex: Female Age: 26	Teacher	Boyfriend	Hamburg, Germany
Axel	Pandoo	Sex: Male Age: 29	Architect	Single	Berlin, Germany
Sarah	Renjer	Sex: Female Age: 27	HR Manager	Single	Malmö, Sweden
Robert	Renjer	Sex: Male Age: 45	Entrepreneur	Married with children	Münster, Germany

3.6 Data analysis

To focus on relevant data a research strategy was adopted to derive the research question from previous studies by relying on theoretical propositions. The data was analysed and interpreted in accordance with the theoretical framework described in the literature review. In qualitative research, the thematic analysis model is considered to be one of the widespread methods for data analysis (Saunders, Lewis & Thornhill, 2012). The thematic analysis model is used to draw the themes or the patterns of the collected data to a coherent order (Saunders, Lewis & Thornhill, 2012). It is of vast importance for the interviewer to code and categorise the information collected from the interviews properly in order to facilitate the process of generalising the

massive data within a qualitative research frame (Saunders, Lewis & Thornhill, 2012). For coding the data, the researchers applied the “grounded theory” from Strauss and Colbin (1990), which is a methodology that includes planning, data collection, data analysis, and theory development (Vollstedt & Rezat, 2019). This theory is used for qualitative studies which aim to study phenomena with a lack of sufficient theoretical base and where the relationship between different concepts is not studied enough yet (Vollstedt & Rezat, 2019). Thus, this theory is applied to this research as there exists insufficient research on how packaging design supports start-ups to communicate their core values in relation to sustainability in order to be perceived as legitimate. Further, open coding was applied to categorise the findings. First, the data was broken up into smaller parts, subcategories, which were intensively analysed. Secondly, these subcategories were compared to each other to see similarities and patterns. These patterns were then labeled according to different codes. For this, the software tool for analysing qualitative data “Nvivo12” was applied.

Coming back to the thematic analysis model, first, the findings from the interviews conducted with the case study companies as well as the customers were presented and structured after relevant topics under the empirical findings chapter. Second, by following a similar structure, the data was analysed and examined in the fifth chapter in accordance with the theoretical framework discussed in the literature review chapter. Moreover, the researchers referred to additional literature which was not mentioned in the literature review as the findings showed some novel and unexpected results.

As mentioned above, interviews with three case study companies and six customers were conducted for this research paper. After these interviews, the answers given by the participants showed common patterns which provided a level of thematic data saturation. This means that no new insights will be obtained by conducting further interviews with new case companies, which would justify significance in the final data analysis (Vollstedt & Rezat, 2019). In table 3, there is an example of proof of the coding quotes.

Table 3: Example of proof quotes for the coding

Code criteria	Quotes
Consistency	<i>“So by having a website that is not down all the time and just having some consistency in your communication, like when it comes to email or social media and so on.”</i> (Anton, 2021)
Partnerships	<i>“I think it is by cooperating with well-known companies, which stands for sustainability.”</i> (Miu, 2021)
Quality of packaging	<i>“We looked into things that can transport a certain quality. You cannot have a super cheap feeling, shiny package, you know, it would not work.”</i> (Alex, 2021)

3.7 Quality of research

Researchers emphasise different criteria for evaluating the quality of research based on different research designs (Bell, Bryman & Harley, 2019). For instance, many scholars state that validity and reliability need to be considered to evaluate the quality of research (Easterby-Smith, Thorpe & Jackson, 2015). To evaluate the quality of this research the concept by Guba and Lincoln (1985) which exist of the following four dimensions, credibility, confirmability, transferability and dependability is considered to suit best. Especially for a qualitative approach, these four factors are crucial when defining the quality of a study (Guba & Lincoln, 1994).

To ensure the highest degree of credibility, two interviews with two different people from each company were conducted. By interviewing two people from different positions at the start-up it was possible to gain more insights and a deeper understanding of its work. Further, it was possible to observe, if the interviewees responded differently to the questions or if their answers were aligned with each other. Moreover, two customer interviews for each start-up were conducted for the same reasons so that any potential biases were reduced.

In terms of confirmability, both researchers stayed in touch throughout the whole process of this master’s thesis and the work was equally distributed. Both researchers were present during all of the eleven interviews which enabled an open-minded interpretation of the data. One researcher transcribed five, the other four interviews. After transcribing each interview, the other researcher listened to the audio file and proofread the transcription and vice versa. This enabled the

researchers to double-check the data so that any false reporting could be avoided. Moreover, the interpretation of data was analysed together so that both researchers could express their individual understanding of the data.

Evaluating the transferability of the paper, the scope of case study companies was narrowed down. There were different criteria for the company selection. For instance, one criterion was that the company is a start-up and another criterion that the company operates sustainably and further communicates its sustainable values or mission with the customers to be able to generate more in-depth data. However, findings from qualitative research can vary among different studies even if the scope of research is the same. Thus, a replication of this study might demonstrate slightly different findings.

Regarding dependability, the methodology chapter provides a detailed description of the data collected. The transcripts of the interviews are available upon request and the interview guides for the company and customer interviews are included in Appendices A and B. Thus, other researchers can evaluate the data and replicate similar findings.

3.8 Limitations

Rather than combining a range of different theories, this degree project focuses only on a few theories related to packaging design, sustainability, co-creation and legitimacy because of the limitations both on time as well as the scope of the master's thesis. Given the course requirements, there is a risk that both the depth and the quality of the analysis would be violated in case more theories are being evaluated by the authors of this paper. Moreover, the thesis will only focus on three companies rather than observing many companies from the same industry. However, it can be argued that if more companies were being evaluated and studied within the same industry, more accurate results and an answer for the research question could be generated.

Another limitation arose when it was not possible to conduct the second interview with the Pandoo representative since she could not find the time for the interview. This limits the researchers to implement data triangulation for the Pandoo case which could be used to enhance the interview content quality and validity of the findings (Bell, Bryman & Harley, 2019). It could

further limit any inconsistencies between the data from two representatives from the same start-up.

Due to the current pandemic caused by the COVID-19 virus, face-to-face interviews were not possible to carry out. To be in line with the regulations regarding social distancing and avoidance from the unnecessary gatherings set by the public authorities of Sweden (Folkhälsomyndigheten, 2021), the interviews with the three case study companies were conducted online on Zoom. According to Bryman (2008), one limitation regarding the interviews is that collecting data during a physical meeting could have resulted in more trustworthy information from the interviewees. He further argues that conducting the interviews over an online phone call rather than a face-to-face meeting would result in the data collected could be inferior and the quality would vary significantly (2008). Another limitation of this kind of interview is that the interviewer could face some kind of difficulties in understanding and interpreting the real thoughts of the interviewee because of the passive engagement of the respondent with the whole interview process (Bryman, 2008).

4 Empirical findings

This chapter presents the results from the interviews with the representatives of the three case study companies; Suntribe, Pandoo and Renjer as well as with the six customers. The findings from the three case studies as well as customer interviews are divided into four categories which are packaging design, sustainability, legitimacy and customer co-creation. Each category is further divided into sub-categories or patterns which resulted from the data coding.

4.1 Results from the interviews

In the following, the main findings from the interviews with the three case study companies are demonstrated.

4.1.1 Packaging design

Importance of packaging design

All case study companies indicated the vast importance of packaging design. To the question on how important the packaging design is, Julia (2021) from Suntribe mentioned,

“It is very important. When you offer something that is different inside you want to make sure that the packaging design already tells the customers about it. In that sense, I think the packaging is even more important for us because it should communicate clearly the innovativeness and eco-friendliness of our products. Therefore, we emphasise researching the most suitable packaging for our products.”

The packaging design has always been one of the most important aspects of the product development process for Suntribe. The packaging design of their products does not only influence the usability of the product but also is a tool to transfer the main message of Suntribe that the company offers more environmentally friendly alternatives. Hence, the packaging design is the first thing that the customer sees and it is supposed to transfer that message. So just for that reason, it is very important that the packaging design is aligned to the company’s philosophy. Further, Anton from Renjer responded to the question on how important packaging design is as “Packaging design definitely has a big role since the customer gets the first impression of the product from it and it has to communicate what we as a brand stand for.” It becomes clear that the packaging design is the first point of contact with the customer and therefore has a great

influence on the customer's purchasing decision. This is true for Pandoo as well. Selling its products online, Pandoo can communicate its mission and product benefits through social media, on its website and directly on the online product description. However, if Pandoo is selling its products in stores, the packaging design is crucial to persuade the customer at the first point of contact with the product, as it is the only communication tool the brand has at this point.

Packaging material and design

The packaging material and design are crucial in communicating the brand's values. When choosing the material of the packaging design, Suntribe considers two main things. One thing is the functionality and the other is the sustainability of the packaging design. Being an eco-friendly start-up in nature, Suntribe uses different materials for packaging design than the established competitors most of whom use plastic packaging. The packaging materials Suntribe utilises are metal, cardboard or sugar cane. Hampus (2021) mentioned,

“It is important that we try to make our packaging design as sustainable as possible. We use metal and bio-based plastic and try to limit the use of plastic as much as possible. We ensure that all the packaging can be recycled and we choose recycled paper labels for our products.”

By using environmentally friendly packaging design Suntribe aims to highlight the uniqueness of its products. As Julia (2021) argues the packaging design is a tool to communicate the start-up's values either online or offline. It further helps the customer form the first impression about the start-up and its product. Thus, it is a good way to be differentiated from the competitors and stand out by hinting at the start-up's values.

Regarding Pandoo's packaging material, it is of vast importance that the packaging is made from paper that is FSC certified. FSC is considered as the “gold standard” of certification of wood harvested from forests that underlie strict regulations. In terms of design, Pandoo aims to use the least amount of colours as possible for the packaging, which are mainly green. As Miu (2021) confirms, “in some aspects, it would be nice to have a more colourful package design to be more appealing.” However, Pandoo's main focus is sustainability and using many colours is not necessary and sustainable. So, the brand is using the minimum amount of resources possible (Miu, 2021).

According to Alex (2021), the packaging material is crucial for Renjer. He mentioned, “(...) you feel that it is not cheap.” Hampus (2021) from Suntribe also stated, “It should feel natural basically when you touch it. That's an important aspect when you hold the product in your hand.” Thus, the material plays a great role to communicate the company's values.

Information sharing

Besides the packaging design and material, the start-ups also utilise other means to communicate their core values. Communicating their core values through the packaging design is quite challenging due to the limited amount of space. Therefore, Pandoo for instance uses other means such as printed QR codes on the packaging. Through scanning the QR code, the customer can land on the website where in-depth information is provided about different aspects of the product. This allows the customers to evaluate the product and the packaging design from a more holistic perspective. Moreover, Pandoo uses doodles to communicate with the customer through the packaging design as well as social media icons on how to connect with the brand. Renjer also uses keywords to communicate the brand's core values. Alex explained that Renjer uses keywords such as nature or Nordics which relates to high quality as well as sustainability. Further, Suntribe puts the list of ingredients in a place that is more prominent compared to the competitors. It is written in larger letters so that the ingredients can stand out on the packaging, highlighting the eco-friendliness of the sunscreen.

Innovativeness

Suntribe's packaging design is considered to be innovative in its shape because of the materials used in designing the packaging (Julia, 2021). According to the two co-founders (2021), one of the materials Suntribe uses is sugar cane which is a newly invented material. Being one of the pioneers in utilising such an innovative packaging which is both eco-friendly and functional, Suntribe tries to decrease the environmental impact which is also the sole reason behind Suntribe's existence (Julia, 2021). Since most of the competitors use plastic alternatives to design their packaging because of the cost-efficiency, Suntribe's packaging design is considered to be innovative for the product category that it is in (Julia, 2021).

Miu (2021) mentioned that she has to be honest in terms of that Pandoo is not as innovative as she wished the brand to be. However, she is optimistic that the company will be more innovative in the future. Being sustainable is often a great challenge in terms of innovativeness. For instance, Pandoo could not print colourful stickers in the packaging as this would not be aligned with their sustainable standards which are using as little as possible. Anton (2021) from Renjer mentioned,

“Well, of course, we tried to innovate with our packaging design. We looked at other packaging designs out there on the market. The thing is that you need to somehow look similar to the others, because when you look similar, then people also understand what your product is.”

So, there exists a challenge to on the one hand be perceived as innovative and on the other hand as legitimate. Thus, as a start-up, it is crucial to have the right equilibrium between these two aspects. For instance, when Renjer started, they had cardboards as their packaging as they wanted to be perceived as innovative. However, it did not take long until they found out that it causes many different problems related to logistics or legitimacy. Further, the packaging design was not associated with jerky by the customers which was another issue.

Challenges of designing the packaging

According to Julia (2021), the challenges of designing the packaging is the packaging itself especially when it might be both environmentally friendly as well as functional. The main challenge in this regard is to find the supplier and the right materials. Finding the right supplier for innovative packaging in a low minimum order quantity is quite challenging for Suntribe. At the moment, Suntribe still has to include conventional plastic in some parts of their packaging because of the lack of suppliers. One of the biggest challenges for Pandoo in terms of packaging design is to be innovative, attractive as well as sustainable at the same time. Moreover, Pandoo also aims to reduce its packaging in general which demonstrates another challenge. Moreover, the packaging design has to be coherent and in line with the brand's values. When Pandoo started, they were not experts in terms of packaging design and they had to acquire the knowledge step by step. As the company was growing they improved the product's packaging design and it became more coherent. For Renjer the main challenge is the different legislations related to the packaging.

To conclude, the product's packaging design plays a great role for all three case study companies. It is crucial to communicate the company's values and mission. Further, all case study company's aim to use as sustainable material as possible. However, there exist different challenges in terms of packaging design such as legal requirements or a lack in suppliers for sustainable materials.

4.1.2 Sustainability

Core values

Suntribe's three most important core values they try to communicate through their packaging design are sustainability, innovativeness and user-friendliness. Hampus (2021) from Suntribe said that their two most crucial core values are sustainability as well as transparency. He mentioned, "One core value is that everything we put in our products should be validated by science to be safe both for people and nature. We want to try to make our operations as transparent as possible and let people know where our ingredients and where our materials come from." Pandoo aims to reduce deforestation and pollution by offering more sustainable alternatives to the customers as well as by sharing crucial information through their social media platforms. One of their messages is to communicate to consume less so that the after generations still have a healthy earth to live on. Pandoo's aim is to make a sustainable lifestyle as easy as possible for the customers by offering sustainable product alternatives. In general, Pandoo tries to use as little plastic and wood as possible for their products and instead more sustainable solutions such as reusable materials. Anton and Alex (2021) from Renjer also mentioned during the interviews that sustainability is one of the company's core values.

Sustainability

As identified by Julia (2021), "Without the sustainability aspect our company would not exist. It is at the very core of our products and our philosophy. That is why we started Suntribe because we wanted to offer sunscreen that is safe for both the environment as well as humans. In that sense, sustainability is the reason why we exist." Sustainability goes in everything Suntribe does to try to be as eco-friendly as possible. The start-up does not offer a broad range of products. Rather it focuses on offering a limited range with multiple functionalities that combines several

use cases in one product. Further, Suntribe does not utilise water in its formulas which benefits the environment.

In terms of sustainability, Suntribe evaluates itself 8 on a scale of 1 to 10, where 10 is most sustainable. At the moment, the start-up uses packaging that is available in the market. However, it does its best in order to replace the plastic components of the packaging as much as possible. For instance, for the aluminium tubes, the start-up tries to have plastic-free cups. The goal is to have completely plastic-free packaging. Having biodegradable formulas which are safe for both the environment and people, Suntribe has already reached its goal in terms of sustainability and aims to have a fully biodegradable packaging design as well. However, the packaging design and also the production process does not offset the carbon emissions yet. To have a fully biodegradable packaging design Suntribe needs to take these steps before it can be evaluated 9 or 10 on a scale of 1 to 10.

Miu (2021) mentioned that it is impossible to please everyone and to be 100% sustainable whether it is privately or as a brand such as Pandoo. There are always people who point the finger at you, saying that Pandoo is not completely sustainable. Regarding sustainability, the most important is that everyone tries their best and is aware that they cannot satisfy everyone. If everyone is taking small steps, it will have a great positive impact.

As already mentioned above, sustainability is one of Renjer's core values. Alex and Anton (2021) both mentioned during the interviews that the company tries to be as sustainable as possible. However, being 100% sustainable is almost impossible. Anton (2021) explained, "We tried to do our best to be as sustainable as we can. Let's talk about the packaging. We would use recyclable plastic if it was an option, but it is not at this point because it is expensive. In addition, you are not gonna have the same shelf life for the products with recycled plastic." Especially when it comes to food products, having sustainable packaging is quite challenging. Moreover, Anton and Alex both said that in general wild meat is very sustainable. Further, Alex (2021) mentioned that they collect the waste of meat during the production to sell it as jerky crumble. The meat does not have the perfect shape but they offer it for a cheaper price to not waste anything.

To conclude, all three case study companies have sustainability as one of their main values. Sustainability means a lot to them and they try to communicate the importance with their customers.

4.1.3 Legitimacy

Consistency

Start-ups face liabilities of newness, especially at their starting phase. One aspect of liabilities of newness is the dilemma of being perceived as a legitimate company. As a start-up, it is often quite difficult to be perceived as legitimate which is however a crucial factor in order to become a successful business. Miu (2021) mentioned that for a start-up it is way more difficult to be perceived as legitimate than for a well-established company. In order to be perceived as legitimate is it crucial to be consistent with all the information the brand is sharing. Pandoo is sharing information through their packaging designs as well as through their social media channels. Miu (2021) further explained that support by reliable sources is crucial to seem trustworthy as a brand. Alex (2021) from Renjer gave the following answer on how to be perceived as legitimate. “I think consistency throughout an assortment. I cannot make products that contradict each other because then I would probably have different brands.” He agrees on Miu’s statement that consistency plays a key role when it comes to being perceived as legitimate. The other co-founder from Renjer Anton (2021) mentioned, “(...) by having a website that is not down all the time and just having some consistency in your communication when it comes to email or social media.” To evaluate these statements, consistency is very important when it comes to legitimacy. A company has to be consistent in their marketing strategies as well as in their product offering. By being consistent, the brand also communicates trustworthiness to the customer. In other words, when being consistent in branding strategies and information sharing, the customer develops trust for the company.

Partnerships and certifications

Other factors which help to develop trust with the customer are partnerships and certifications. As a young start-up, Suntribe faced some challenges in perceiving itself as a legitimate firm in the beginning of its operations especially when the company realised the importance of having certifications in building trust with the customers. Julia (2021) explained, “(...) and then there's a

certain thing with the certification in the beginning. We did not have any certification of products and then quickly realised how important that is.” Since Suntribe uses well-known certifications for their product’s ingredients, they are being perceived as a legitimate company. Further, Julia (2021) argues by saying that undertaking safety assessments and possessing certificates from well-known organisations are an established way of creating legitimacy in the cosmetics industry. Moreover, it helps to build trust among different stakeholders such as customers and resellers. Furthermore, Pandoo is also working together with well-known testing certifications such as the one from the German certification Ökotest. From Ökotest they have received a “sehr gut” which is the highest rating. When Pandoo receives these certifications, they print them on the product packaging to communicate their trustworthiness.

Moreover, having multiple resellers is also beneficial in building legitimacy. Julia (2021) mentioned that having partnerships with well-known resellers have a very positive impact to be perceived as legitimate and build trustworthy relationships with the customers. Miu (2021) has a similar opinion than Julia as she mentioned that a relevant aspect to be perceived as legitimate is to cooperate with well-known companies which have high sustainable standards. Pandoo cooperates with supermarket chains in Germany such as Edeka and Alnatura. Therefore, Pandoo communicates with the customer that they cooperate with these large supermarkets in order to be perceived as more legitimate. Miu (2021) explained, “(...) for example, when we have some ads in magazines, we always put in so that you can find our products at Müller, at Edeka, and everywhere else. So even all those big companies are trusting us as well.” When the customers see that all those big companies are trusting Pandoo, then the chance is even higher that the customers trust Pandoo as well.

Competitive advantage

One question for the companies was if it is more difficult for them to be perceived as legitimate in comparison to well-established companies. Hampus (2021) from Suntribe mentioned,

“I don't think so because I think that people distrust big companies because their track record is not that good. So it could actually be beneficial to be a start-up because you start fresh and new and basically you don't have a history of doing bad things. So I think it is actually more of a benefit than a downside.”

This statement is very interesting as it demonstrates that being a start-up can be a competitive advantage when it comes to legitimacy. This relates to if a start-up is consistent with their marketing strategy and in their values, the customer builds trust and this results in having a competitive advantage compared to well-established companies. However, Miu (2021) mentioned that when they are introducing a new product such as the bamboo toothbrush the customer is a bit sceptical at the beginning. When a big company copies Pandoo and introduces their bamboo toothbrush, the customers are buying it without hesitating. Miu (2021) from Pandoo explained,

“So, sometimes we have the impression that we did all the work and then the big companies are coming in and doing everything. But I think it is very important to stay consistent as a start-up, like always thinking of our vision and mission and doing that with a whole company, like all the departments telling the same stories to give out the same information to be perceived as legitimate as a big company as well.”

Miu further mentioned,

“Especially for sustainability, because it is such a trend right now. The customers are asking the bigger companies if it is one of their core values. Or are they just hopping on the trend? And because we have been doing that for over four years now, we are getting there that people are trusting us more and more, and especially for customers who are looking into things like who we are. They would rather buy something from us than from a bigger company because they know that we are looking for sustainable solutions on every level.”

Pandoo has to put a lot of effort into communicating why their products are better than other ones. However, Pandoo also has a competitive advantage, as the brand is very consistent and the customers know that sustainability plays a key role for the company. In comparison, well-established brands just aim to increase their sales and sustainability is not one of their core values as they are not consistent with it throughout their product lines. So, the customers are starting to trust Pandoo which the company is building up for years and which helps to build legitimacy.

Quality of packaging

Another key factor for being perceived as legitimate is the quality of packaging design. Miu (2021) mentioned, “It is important to look at the quality of the packaging as well because that's something people see and have that trust in. And if they see that all the packaging are looking the same, they don't have problems with that.” In other words, she mentioned that the packaging has to be high quality and consistent throughout their whole product line. All the packaging designs look similar to each other by using the same design patterns. This helps Pandoo in being perceived as legitimate by their customers. This statement relates to the relevance of being consistent. Alex (2021) also explained that the quality of the packaging is very important to be perceived as legitimate. He said that the packaging design cannot look shiny as this relates to low quality. Renjer's packaging has a mat design to communicate the product's high quality.

To conclude, consistency and trust are crucial for being perceived as legitimate. Moreover, the interviewees mentioned that partnerships with well-known companies as well as certifications are very beneficial as well. Further, the quality of the packaging plays also a crucial role and surprisingly, most of the interviewees mentioned that they rather have a competitive advantage in terms of being perceived as legitimate compared to well-established companies.

4.1.4 Customer co-creation

All interviewees agreed with yes to the question if they are using co-creation for their products and their product's packaging design. However, they use different channels for it.

Influencer marketing

In order to ensure that customers are happy with the products, Suntribe continuously tries out ways to involve customers in improving its product offerings. For instance, when Suntribe developed its first products, it sent out free sunscreens to extreme athletes to try out and give feedback on the formula and the packaging design. Based on the feedback, Suntribe finalised the product development process. These athletes became Suntribe ambassadors and promoted its products on social media pages later on. The start-up still continues to involve customers in improving their products. It always hands out free sunscreens to people that are suitable to represent the needs of the customer groups so that it can get feedback to improve the products. In

the beginning, it focused on a specific customer group to test a certain product and evaluate the formula and the packaging as well as to check if the product meets the needs of the customers. Renjer also works together with influencers. Anton (2021) mentioned, “We have those influencers who are getting a monthly jerky from us and then they are posting to Instagram depending on the influence or at least sending us some pictures.” Thus, for both companies, Renjer and Suntribe, influencer marketing is a great way of receiving feedback to improve their offerings.

General customer feedback

Suntribe also actively checks and analyses the reviews on Amazon to get a better overview about what customers think and how they can improve their products. When the feedback is taken into account the product can be improved and the customer will have a better experience with the product in the future. Another way used by Suntribe is to travel with all of the co-founders to places where it wants to sell its sunscreen and find people to try out their products and receive their opinions regarding the functionality of both the product itself and the packaging design. Further, Suntribe undertakes customer interviews in which it asks about the customer's experience with competitors products.

Pandoo also takes comments or critics on social media platforms into consideration and talks about them during their meetings to improve Pandoo's communication as well as product offers. Regularly Pandoo published stories on their social media channels to directly ask for customers' feedback regarding a specific product or topic. In general, Pandoo likes to communicate directly with their customers such as by phone calls. These comments and suggestions from customers are very crucial to improve Pandoo's packaging designs.

Re-designing the product or packaging

All of the case study companies mentioned that they have changed or improved the product or packaging design according to customer's feedback. For instance, Julia (2021) explained,

“We haven't done well so far. We have only one product where we found out, based on the feedback that we got, that the packaging that we were using was suitable. But we

should also have a packaging that is smaller and that is easier to use on the go. And then based on that feedback, we developed that product.”

Hampus (2021) from Suntribe also mentioned,

“Now one of our products has a plastic cup, even though it is an aluminium tube, we got some feedback that people want to be completely plastic-free. And then we are looking at alternatives like changing it to a wooden cup. If someone complains about the packaging we try to improve it so it becomes easier to use.”

Further, Anton (2021) from Renjer also mentioned,

“(…) with the packaging design we were asking for feedback from our customers, because we are making a product that they like and that they want to eat and that it looks nice in their eyes. But I think it is very important because if you just decide yourself without thinking about what others think, then there is a pretty high risk that they will be able to make the wrong decision.”

He made clear that it is crucial to implement the customers in the co-creation process of the products as well as of the packaging design. He further stated that Renjer asked their best customers,

“Do you think some elements are missing or do you think something should be bigger or smaller? I think we had a link to Google form where people were just giving feedback. Then we tried to somehow find the red line from the information and implement it in the packaging design.”

Moreover, Miu (2021) from Pandoo explained that it is crucial as a brand to sometimes step a step back and listen to the customer feedback. For instance, Pandoo has not had any parents working at the company. Then, customers mentioned that they desire a smaller cutting board to be used by their children. This was something Pandoo had not thought about before receiving the customer feedback. Another aspect was that some customers desired more detailed information on the product’s packaging so Pandoo rethought the information printed on the packaging and changed it according to the customer’s feedback. She further explained that Pandoo even made use of customer co-creation when the company defined its values while it started selling its first products. To gather insights and to receive feedback, Pandoo sent out a survey to their customers. Having the customers' opinions in mind, Pandoo created its core values. In general, it became clear that co-creation is very beneficial for Pandoo to improve its offerings. However, Miu

(2021) mentioned that it is impossible to satisfy every single customer as sustainability is such a difficult topic.

To conclude, the customers' opinions are very important for the companies since they are the ones who are supposed to buy the products. Thus, it is essential to include customers and co-create and test the products and the packaging with them to fully understand and meet their needs.

4.2 Results from customer interviews

In the following, the main findings from the customer interviews are demonstrated.

4.2.1 Sustainability

To all of the six customers which got interviewed for this research, sustainability plays a great role. Marie mentioned,

“Sustainability means a lot to me! Without caring for our planet the earth would not be the same in a few years. Therefore, each individual can make a change! Many people think if only they change their behaviour it does not matter. But it does matter a lot. Everyone can do something. I try to live as sustainably as possible.”

The other interviewees also explained that sustainability is a big part of their life. Regarding the question if sustainability influences their purchase decision, Lea answered,

“Yes, and it is getting more and more important. In the beginning, it is not easy as you just do not know which brand you can trust. Many companies just do greenwashing to increase their sales but in reality, they are not very sustainable. So, it took a while for me to know which brand I can trust and which are better to avoid. That is why I am very happy to have found Suntribe! I totally trust these guys!”

Thus, sustainability is crucial when deciding which products to buy. Robert mentioned that for him sustainability is the most important aspect when choosing a brand. “When I buy food products for instance it is also the health aspect and if it tastes good. But for other goods, it is mainly sustainability. It is just a bit difficult to figure out which companies are trustworthy and which ones not.” In these statements, it becomes clear that these customers prefer sustainable products. However, there exist trust issues in terms of which companies to trust and which ones

better to avoid as they might only use sustainability for marketing purposes. Moreover, all six interviewees think that they are pursuing a sustainable lifestyle. In general, they try to reduce their consumption or if they need any products to buy the most sustainable alternative. Further, the customers evaluated the case study companies from 7-10 where 10 is very sustainable.

4.2.2 Co-creation

Before conducting the interviews, most of the interviewees were not aware of what exactly the word co-creation means. So, they were quite surprised when they noticed that they have already been a part of this process. All of them have given feedback to their favourite brands or even gave some recommendations for improvements. Axel mentioned, “When I called them they were very friendly and I had the feeling that they were happy to receive my feedback. I actually had the feeling that they would consider it and this motivates me to purchase more products from them.” Lea further explained that “I really like when I get a response for my feedback. Once, I wished for the same sunglasses I bought for my child. The brand, I think it was Paul & Joe, actually thought it was a cool idea and a few months later I saw them in stores! I loved it and this really strengthened my relationship with that brand!” In these statements, it becomes clear that it motivates the customers if they can express their opinions and if the brand listens to them. In other words, giving the customers a voice can be very beneficial for a brand.

4.2.3 Packaging design

Regarding packaging design, most of the interviewees were aware of the influence the packaging design has on their purchase decision. For instance, Marie stated,

“I always try not to be too influenced by a brand's packaging design but I always find myself being influenced. In terms of packaging design, I look for things that look natural and sustainable. For instance, I would not like to buy a product which is packaged in a lot of plastic.”

Here, it gets clear that customers who pursue a sustainable lifestyle also consider sustainable packaging. Moreover, Sarah mentioned in terms of what kind of packaging design she prefers,

“The product packaging material affects me the most I would say. As I said if the materials are not sustainable I try to avoid the product in general even if I like it. If the packaging is made from sustainable materials it persuades me to buy the product. And

also natural colours and a catchy design. I also really like storytelling through the packaging and if it gets obvious what exactly the brand stands for.”

Most of the interviewees mentioned how important sustainable packaging is and also that the company communicates its vision and sustainable values by packaging design. For instance, Axel from Pandoo explained, “When you see Pandoo’s products in the supermarket they stand out as they look different than other products and more sustainable!” Further, Jim mentioned that he likes Suntribe’s packaging as it is made from sustainable materials. Here, it becomes clear how crucial the packaging material is.

All of the interviewees were satisfied with each company’s packaging design in terms of attractiveness and sustainability. They agreed that the start-ups did a great job in communicating their vision and values through the packaging design which strengthens the customer relationship and results in greater trustworthiness. Further, some of the interviewees mentioned that by being consistent in the packaging design and marketing strategies, the companies gain greater trustworthiness and they become loyal customers.

4.2.4 Legitimacy

Regarding legitimacy, most of the interviewees stated that they have lost trust in big companies due to greenwashing. It was quite surprising, as it was assumed that most people have difficulties in trusting start-ups. However, it seems like these small start-ups have a competitive advantage in comparison to well-established companies. For instance, Leah stated,

“Customers often get fooled. So you really have a hard job as a customer to find out which brands to trust. I must admit that I spend too much time finding which brands I can trust. However, I think start-ups have a competitive advantage in comparison to well-established brands. As the main mission of many start-ups is sustainability and big companies mainly want to increase their sales and therefore mention that they are sustainable.”

Further, Jim mentioned, “Honestly, I started to trust start-ups way more than the big global players. The global players just hop on the trend to earn more money. Most start-ups do their job because they have a mission and are consistent in their marketing strategies.” The findings concerning legitimacy are very insightful as they show that start-ups rather have a competitive advantage than a disadvantage when they are consistent in their customer communication. It is

crucial for them to communicate their mission and values to the customer to persuade them of buying their products. Moreover, Axel explained, “(...) as I said I like to support small businesses and I often trust them more as they are more transparent and their messages are aligned with their core values.” Besides sustainability, transparency also plays a great role in marketing products.

5 Analysis and discussion

This chapter starts by examining the role of packaging design for the case study companies. The importance of sustainability in regard to packaging design is discussed and analysed. Further, the chapter analyses how packaging design helps start-ups to create legitimacy. The analysis evaluates how case study companies co-creates packaging design by incorporating with the customers. The chapter also includes the customer's opinion regarding these topics.

5.1 Sustainable packaging design

The fast-changing competitive environment compels start-ups to continuously find innovative ways in order to face the competition in the most efficient way. To do so, it is of vast importance to not underestimate the importance of packaging design in the purchasing decision of the customers (Wells, Farley & Armstrong, 2007). This is also in line with the argument by Azzi et al. (2012) stating that packaging design is a critical factor in the customer decision-making process. The packaging design has always been one of the most important aspects of the product development process for all three start-ups since they believe in the important role the packaging design has in facing competition. On one hand, it is a tool and a medium to communicate the core values of the start-ups and make the first impression among the customers (Wells, Farley & Armstrong, 2007). On the other hand, it is a tool to maintain product functionality, meet customer's needs and legal requirements (Paine, 1990). These are recognised by Suntribe, Pandoo as well as Renjer. The three start-ups agree on the importance of the packaging design as a vehicle to communicate the company's core values such as sustainability and build a strong customer relationship.

The packaging material is one of the aspects to communicate sustainability-related values to the customers. As confirmed by a study conducted by Woodside (2010), colours and materials of packaging design related to sustainability raise great attention among customers. According to Rundh (2009), the packaging design of a product is the last communication a start-up can use to communicate its values to the customers before the decision regarding purchase is made. Observation showed that all three companies use innovative packaging designs in order to deliver their underlying values to the customers. For instance, Suntribe uses material from sugar

cane which is a sustainable as well as an innovative source of packaging material. Through this, the start-up easily stands out by its innovative and at the same its sustainable packaging design compared to competitors. Pandoo on the other hand uses only paper material for designing its packaging which is FSC certified. Renjer started to use a packaging material that is easier to recycle which further highlights the efforts the company puts to be as environmentally friendly as possible. There is a clear pattern in choosing the packaging material by all case study companies which is sustainability on the first hand and functionality on the other hand. As Rundh (2009) argues, the “workability” in other words the “functionality” aspect of the packaging design is the key to market the product successfully. Most of the interviewed customers agreed on the fact that the packaging design and its material play a huge role when choosing among products emphasising the importance of both packaging design and material in purchasing decisions of the customers.

When analysing the different core values of case study companies, sustainability stands out in the first place as a common value for all three start-ups. This is in accordance with the argument by Matusow (2019) stating that the future of innovative packaging design is mostly based on the sustainability aspects. For instance, Pandoo has such strong intentions to care about the environment that they promote even less consumption and make customers stop buying things that are unnecessary which contributes to a behaviour change among the customers in terms of sustainability. As Matusow (2019) argues, start-ups work on finding new ways to decrease the pollution and waste their products produce and look for redesigning their packaging design. It also aims to reduce deforestation and pollution which is demonstrated on their packaging design. Suntribe, on the other hand, communicates its eco-friendliness through the innovative packaging design by demonstrating the sustainability aspects of the start-up. Renjer also shares the same value in terms of sustainability and tried to demonstrate it on the packaging design. Moreover, sharing information on the product packaging is another great way to communicate the company’s core values. According to Spotts, Weinberger and Parsons (1997), this can increase the customers’ purchasing intentions. Further, it is found through the different observations that all three companies are evaluating and ranking themselves quite high on the 1 to 10 scale. Besides that, the interviewed customers also gave higher points to the start-ups ranging from 7-10 which are coherent with the self-evaluation of the three start-ups.

5.2 Creating legitimacy through packaging design

All three of the start-up cases find packaging design as a way to differentiate from the customers and gain competitive advantage in the market. As argued by Underwood (2003), the right packaging design is relevant to communicate the product's uniqueness and to differentiate it at the point of purchase. Furthermore, all representatives agreed on the point that having an innovative packaging design is key to face the competition and be differentiated from the competitors. This is also in line with Rundh (2009) who argues that the packaging design could play a crucial role in achieving competitive advantage compared to the competitors. The sustainable elements of the packaging design add value to the start-up and make the product stand out in the market which helps environmentally conscious customers when making purchasing decisions. This is confirmed by most of the interviewed customers who said that they value sustainable packaging and prefer buying them rather than unsustainable packaging design. The packaging design itself is a tool to highlight the core values of the start-ups to the customers. This is in accordance with the argument by Rundh (2009) which states that customer value shapes the packaging design which is subject to dynamic influences from the external business environment. From the entrepreneurial perspective, this gives valuable insight for start-ups to understand the vast importance the packaging design and the material plays in building trust among customers and being perceived as legitimate.

All three case study companies have faced liabilities of newness in the past. However, it was a novel and unexpected finding that some of the start-ups stated that they even feel that they sometimes have a competitive advantage compared to well-established companies when it comes to legitimacy. For instance, when Pandoo creates innovative and sustainable products, newly-established companies can easily copy them. However, as a first-mover, Pandoo can get a competitive advantage and gain customer's trust in the market as the initiator of the original product. The well-established firms do not share the same values as the Pandoo does when it comes to sustainability and they are not consistent with their marketing strategies and product offers. Environmentally-conscious customers are releasing this when shopping products as mentioned by some of the interviewed customers. Pandoo generates a competitive advantage as the start-up is continuously looking for sustainable solutions and they are consistent in their branding strategy and core values which increases the customer's trust. Further, Hampus from

Suntribe even mentioned that he thinks start-ups have a great advantage compared to established companies when it comes to legitimacy. Start-ups do not have any negative records and are sustainable from the very beginning. Therefore, in order to be perceived as legitimate, start-ups have to be consistent in their whole product offerings and their marketing strategies. According to all three start-ups, consistency has vast importance and plays a key role when it comes to being perceived as legitimate. By being consistent start-ups can also be perceived as trustworthy entities and gain customer's confidence towards the brand. This is in line with the argument by Stinchcombe (1965) who states that it takes much effort to build a long-term customer relationship based on trust. However, there does not exist research that explicitly considers the relationship of consistency to be perceived as legitimate.

Being involved in partnerships and getting different certifications are another factor that helps start-ups build trust among customers and to be perceived as legitimate. It is true that all three start-ups faced some challenges regarding legitimacy in the early stages of their establishments. However, different certifications from well-known organisations and partnerships helped them overcome the difficulties caused by liabilities of newness. This is confirmed by Nagy et al. (2012) who state that in order to overcome liabilities of newness companies have to strengthen their relationships with different stakeholders such as investors, customers or suppliers. This is an established way of creating legitimacy in the market according to Suntribe which also helps build trust among other stakeholders such as resellers. For instance, Pandoo prints its certifications on the product packaging to communicate its trustworthiness. As stated by Nagy et al. (2012), because new ventures lack record history, it is more difficult for them to build trustful relationships with different stakeholders. Collaborations with well-known resellers with high sustainable standards are another factor that helps start-ups to be perceived as legitimate. This is in line with the argument by Nagy et al. (2012) who state that strengthening the ties with stakeholders can be beneficial for overcoming or reducing liabilities of newness for start-ups and be perceived as legitimate. When the trustworthy resellers take the products of start-ups it automatically gives the start-up the opportunity to build trust among customers.

The quality of packaging design is another key factor in being perceived as legitimate. All three start-ups agreed on this and accepted the importance of the quality and consistency of the

packaging in building trust among the customers. As argued by Underwood and Ozanne (1998), a brand has to communicate through the packaging design for what the product stands for, so that the norm of legitimacy can be met. This helps start-ups to be perceived as legitimate by their customers as well as by other stakeholders. This statement relates to the relevance of being consistent in terms of packaging design. Both consistency and trust are crucial for being perceived as legitimate. In accordance with the argument by Underwood and Ozanne (1998), the norm of legitimacy in terms of the packaging design of a product is understood as the communication based on a shared normative context. For instance, the quality of the packaging design has the ability to directly communicate the high quality of the start-up and help build trust among customers. Looking from a broader scale, these findings can be quite valuable for entrepreneurs and entrepreneurial scholars to understand the different drivers which support start-ups being perceived as a legitimate company and thus, build stronger customer relationships.

5.3 Packaging design through customer co-creation

Based on the observations it is found out that customer co-creation is an important part of the marketing strategy since the very first day of the initiation of the start-ups. All three of them implement customer co-creation in both product development and packaging design in order to closely observe the needs and pains of their customers. This is in accordance with Rundh (2009) who argues that by involving the customer in the process of designing the packaging, start-ups can differentiate themselves as well as gain a competitive advantage. This helps start-ups to better understand how their customers think, what they really need and also create value that customers are willing to pay for. Shams and Kaufmann (2016) underline the importance of entrepreneurial mindset and stakeholder-centric approach in the value co-creation process of start-ups. They further argue that this can enhance a closer collaboration and facilitate the idea exchange between the customers and the start-ups which can enable them to have a better understanding of the needs of their customers (2016).

Customer satisfaction is one of the main cornerstones in business success. Prahalad and Ramaswamy (2004) emphasise the crucial role that customers have in business success which gradually changes from being isolated to more connected and from being passive to a more

active stakeholder group for start-ups. For all three start-ups, it is of vast importance to have high customer satisfaction. For this reason, all start-ups continuously look for ways to improve their offerings in many ways. For instance, Suntribe and Renjer use similar strategies in acquiring influencers to market their products as well as help them improve their offerings. As mentioned by Suntribe representatives, the start-up developed one of its first products and the packaging of the product together with potential customers who were also influencers since they were professional surfers and mountain climbers who later on become brand ambassadors and continue to promote Suntribe products on their social media channels. This helped them develop the product and the packaging design that is really demanded by the customers. This is in line with the argument by Prahalad and Ramaswamy (2004) that customers are one of the key actors and co-creators of the new product development process.

As Shams and Kaufmann (2016) argue, by having virtual presence start-ups can get the different stakeholders, particularly the customers onboard to the value co-creation process. Through collecting feedback from the customers Renjer developed its new product line with new jerky flavours. Further, it collected opinions regarding the packaging design for instance the colour and the shape by sending out surveys to the existing customers. Prahalad and Ramaswamy (2004) call this value co-creation process as “joint creation of value by the company and the customer.”

Actively collecting and analysing customer reviews is another type of co-creation of value. All three start-ups put great efforts to actively check and evaluate the customer reviews on different webshops or on their website. This gives the opportunity to improve the offering and the packaging design according to the comments given by the customers who are the main buyers of the product. This is also argued by Shams and Kaufmann (2016) who state that start-ups can take advantage of various web-based social media platforms to easily find, communicate and get in touch with their key stakeholders, particularly with their customers. So in that sense, it is essential to review customer feedback on different social media channels as well as on webshops and understand their true needs and dissatisfaction in order to refine the offerings accordingly so that customers can have a better experience with the product and the packaging in the future. Besides this, Suntribe and Pandoo undertake customer interviews in intervals to ask about how they experience the product and how they like the packaging design and what are the most

important aspects when choosing a product in their categories. Overall, all three start-ups agree on the importance of customer co-creation in being perceived as legitimate by the customers.

When looking from the customer perspective all interviewed customers liked to be heard by their favourite brands. As all of the case study companies put effort into ensuring smooth communication with their customers, they already receive the benefits of it in terms of higher customer satisfaction and product development including the packaging design. In other words, giving customers a voice can be very beneficial for a brand. Vargo, Maglio and Akaka (2008) emphasise the important role customers have in the value co-creation process and that with their help companies can lead innovation by developing products and packaging design their customer wants or demands.

6 Conclusion

In this chapter the research question “How do start-ups use packaging design as a means to communicate its core values related to sustainability to its customers in order to create legitimacy?” is answered. The main research findings and aim of the thesis is presented. Further theoretical and practical implications are discussed. Lastly, the recommendations for future research are presented.

6.1 Aim of the thesis and main research findings

Start-ups use different means in order to communicate their core values to the customers. All three case study companies have implemented sustainability as their most important value. Sustainability is even the reason why companies exist as they want to have a positive impact on society and the environment. One of the case study companies even promotes less consumption even though their aim is to sell their products to the customer. The start-ups are well aware of how crucial the right packaging design is as it is the first point of contact in the store. For them, packaging design has been of vast importance since the start of the company. It does not only contribute to building a strong customer relationship but even communicating the company’s core values and main mission related to sustainability. Packaging design eases to transfer the company’s core message to the customer such as by explaining the product’s positive impact on the environment by certain information printed on the packaging design. The companies design their packaging as sustainable as possible such as by using sustainable materials such as sugar cane. Thereby, the companies are quite innovative when it comes to sustainability as many competitors are still using less sustainable alternatives. Besides packaging design materials, other attributes are also relevant such as using natural colours for the design. Besides all the advantages of using a sustainable packaging design, there also exist various challenges such as logistics or legislation wise.

An unexpected and novel finding of this research is that all three start-ups stated that being consistent is of major importance in order to be legitimate. It can even promote having a competitive advantage in comparison to well-established companies when it comes to legitimacy. Most research highlights the liabilities of newness start-ups are facing in terms of being

perceived as legitimate by customers. As all three start-ups have sustainability as one of their core values they are consistent in their product offering and marketing strategies from the beginning on. Larger companies often have to change their strategies in order to become a sustainable company. The customer interviews also highlighted that they have more trust in start-ups which communicate their sustainable mission. Thus, start-ups can have a competitive advantage when it comes to legitimacy. Another relevant aspect to be perceived as legitimate, are partnerships with well known companies such as supermarket chains. This also builds trust among customers. Moreover, the quality of the packaging design is another relevant factor to consider in order for a start-up to be perceived as legitimate.

During the customer interviews, it became clear that a sustainable packaging design is of major importance to be perceived as legitimate as well as to generate a greater customer base. All of the customer interviewees agreed that sustainability is of vast importance as they are all pursuing a sustainable lifestyle and prefer products that have a positive impact on the environment. They further stated that they often face difficulties in trusting companies in terms of their sustainable operations. However, start-ups have a competitive advantage as they seem more trustworthy than well-established companies.

Customer co-creation is another relevant aspect to consider. On the one hand, it helps start-ups to build strong customer relationships and to generate valuable feedback in order to design products and packaging designed due to customer preferences. On the other hand, the customer feels motivated when their voices are heard and they can contribute to forming the brand or the product's packaging. Thus, it is a crucial element to consider for start-ups.

To conclude, there exist different ways to use packaging design for communicating the core values of start-ups to their customers in order to be perceived as legitimate. These insights can contribute to supporting start-ups to overcome liabilities of newness and to be perceived as legitimate by their customers.

6.2 Theoretical implications

The dissertation about “Sustainable packaging design for start-ups prospecting to build legitimacy on the market - An explorative case study of start-ups using sustainable packaging design as a means to communicate their core values”, adds valuable insights to existing literature. So far, packaging design is studied from different angles such as from the marketing perspective. However, there is a lack in the research from the entrepreneurial perspective. Especially, with a focus on legitimacy, sustainability and customer co-creation and the interrelation of these four topics, there has not yet existed enough literature to answer the defined research question of this paper on “How do start-ups use packaging design as a means to communicate their core values related to sustainability to the customers in order to create legitimacy?”.

This research contributes to existing research in different ways. As discovered differently by existing literature, being a start-up can be beneficial in terms of legitimacy. Most research states that young companies face many obstacles when it comes to legitimacy. However, the findings of this research paper demonstrate that start-ups can also have an advantage in terms of legitimacy. The case study representatives explained that start-ups actually have a competitive advantage compared to well-established companies when it comes to legitimacy.

One main aspect for start-ups to be successfully perceived as legitimate is consistency. The word refers to the whole marketing strategies and communication with the customer as well as being consistent throughout the entire product line as well as the packaging. Every aspect of the brand has to be in line with the company’s core values. Well established companies often have a negative company record when it comes to sustainability. Start-ups with a strong purpose to be a sustainable company, have operated in that way from the beginning on. Therefore, they have nothing to hide and customers perceive these companies as more trustworthy in terms of sustainability and innovativeness. Lastly, the case study companies have a very strong purpose. One of them even promotes less consumption due to environmental reasons. Therefore, the interrelation between the company’s mission, sustainability and packaging design is another insightful finding of this research.

6.3 Practical implications for entrepreneurs

In the following, practical implications for entrepreneurs are given. According to this research findings, there exist various ways on how to increase the start-ups' legitimacy by its packaging design. Entrepreneurs have to deal with many uncertainties, the so-called liabilities of newness. It can be beneficial for entrepreneurs to consider the importance of their product's packaging design right from the start of their new venture. Packaging design is a great means to communicate the company's core values and mission linked to sustainability. Some aspects are beneficial to implement such as to be consistent in every single company operation. Further, partnerships with other companies can support the start-up to be perceived as a trustworthy company by customers. Further, customer co-creation is a great way to attract customers and meet their needs. Keeping these recommendations in mind, entrepreneurs can become more successful in their strategies for being perceived as a legitimate start-up.

6.4 Future research

This research demonstrates some novel and unexpected findings related to legitimacy which is tied to the packaging design of start-ups. Based on the findings of this research it makes way for some further research opportunities. First, the relationship between legitimacy and consistency among start-ups can be further examined. Future research may test to what extent being consistent influences the company's legitimacy. Second, the association between partnerships and start-ups will be insightful to study in terms of legitimacy. Having relations with multiple stakeholders may increase the chances of being perceived as legitimate. Third, future research can further consider the impact different attributes of packaging design such as its material or quality has on the start-ups' legitimacy in order to have a broader understanding about the phenomenon. This would result in an increased understanding of the impact of different attributes of packaging design on building legitimacy. Finally, the increased importance of customer co-creation in being perceived as legitimate in order to overcome liabilities of newness can be further studied.

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Appendices

Appendix A - Case study company interview questions

1. What is your position at Suntribe/Pandoo/Renjer today?
2. How long have you been working at the company?
3. Can you briefly describe the product range Suntribe/Pandoo/Renjer offers?
4. Can you describe how you work with your packaging design today?
 - a. Please elaborate on reasons for using certain packaging designs?
 - b. Why is packaging design important?
5. In what ways do you work to create your packaging design?
6. What role does your packaging design play for your company?
7. How do you communicate your company's core value to the customers through the packaging design?
8. What are you doing differently than other companies to attract the customer's attention in terms of packaging design?
9. What is your understanding about an innovative packaging design?
 - a. Can you consider your current packaging design as an innovative one?
10. Are there any challenges in designing the packaging?
 - a. What are the challenges?
11. For what reasons do you use and design your packaging design?
 - a. And Why?
 - b. Please elaborate on the reasons.
12. What does sustainability mean to Suntribe/Pandoo/Renjer?
13. How do you communicate sustainability as a core value through the packaging design?
(For instance, also through the product material)
14. How does the packaging material communicate your core values?
15. Do you take any particular actions to communicate sustainability values through your packaging design? Other means to communicate it (as well)?
16. How do you evaluate Suntribe/Pandoo/Renjer in terms of sustainability?
17. In what way do you communicate your sustainable mission through the packaging design? Please tell how you communicate sustainability related values through the packaging design?
18. What actions do you undertake (in terms of packaging design) to create legitimacy among stakeholders?
19. Does your packaging design help the company to be perceived as legitimate or innovative?
20. What other actions do you take in order to be perceived as legitimate as a newly founded start-up?

21. What other actions do you take in order to be perceived as innovative as a newly founded start-up?
 - a. What role does the packaging design play in this?
22. Have you experienced that as a young start-up it is more difficult to be perceived as legitimate compared to well established companies?
23. How would you describe the liabilities of newness the company is or was facing?
24. What does customer co-creation mean to you? In what way have you engaged your customers in marketing your products?
25. Do you think customer co-creation could be a good way to attract more potential customers?
26. Do you ever involve customers in co-designing your packaging? What benefits did you get from the process?
27. To what extent and how is the customer co-creating the product packaging design? Let the informant describe the process of co-creating the packaging design.
28. Have you collected customer feedback regarding the packaging design? And if yes does it influence the design?
29. Why are customers important to be included in the packaging design process?
30. Is there other ways besides this that you use to involve customers in the design of the product or the packaging design?

Appendix B - Customer interview questions

Customer profile:

Age:

Gender:

Occupation:

Country of residence:

Family status:

1. Have you ever bought one of their products and if yes how often?
2. How did you get to know about the product?
3. When did you first hear about the product and where (store, social media, ads)?
4. What caught your attention when you first saw the product? How did you feel?
5. How did you experience the product?
6. How often do you interact with the Suntribe/Pandoo/Renjer products?
7. Why do you use products from Suntribe/Pandoo/Renjer company?
8. How important is the packaging design of a product for you when choosing a product?
9. Does it influence you in your purchase decision?

10. What kind of packaging design attracts you most? Different attributes? Or maybe colours?
11. What do you think about Suntribe's/Pandoo's/Renjer's packaging design?
 - a. Do you think it is appealing?
 - b. Does it communicate the company's mission?
 - c. Does it represent the company's values?
12. What does sustainability mean to you?
13. Does sustainability play a role in your purchasing decision?
14. How important is sustainability for you when buying products or choosing companies?
15. Would you agree that you have a sustainable lifestyle?
16. If yes, what actions do you take?
17. Have you ever doubted the trustworthiness of start-ups when making purchasing decisions?
18. Do you prefer purchasing products from already well established companies or newly founded start-ups?
 - a. Why?
19. Do you think a well designed packaging of a start-up product could help you build trust towards the start-up brand?
20. Have you ever got involved in the product co-creation process of the Suntribe/Pandoo/Renjer?
21. How did Suntribe/Pandoo/Renjer approach you regarding this?
22. In what way did they ask you to participate in the co-creation process? And which way do you prefer?
23. How would you evaluate the start-up in terms of sustainability from 1-10 scale?
24. In what way did it influence you in your perception of the brand?
25. Did you also get involved in packaging co-creation?
26. Did you receive any compensation for taking part in the co-creating the product/packaging design? What kind of compensation did you receive from Suntribe/Pandoo/Renjer?