

Target, CVS put plastic bags in the bull's-eye, pay for reusables

By Bruce Horovitz, USA TODAY

Just in time for the holidays, reusable shopping bags are about to go decidedly mainstream.

Target (TGT), the fifth-largest U.S. retailer last year, will announce Monday plans to give customers a 5-cent discount for every reusable bag they use to pack their purchases.

The move comes within days of drugstore giant CVS' (CVS) plan to give participating CVS customers \$1 cash bonuses on their CVS cards every four times they buy something but don't request plastic bags.

BAGGING BANANAS: Individual bags extend shelf life

The programs come at a time retailers are feeling heat from advocacy groups, lawmakers and customers to take actions on environmental issues.

In tandem, the two programs could keep billions of plastic bags out of the environment and nudge other big retailers to take similar steps, says Allen Herskowitz, senior scientist at the Natural Resources Defense Council.

"Plastic bags are the most ubiquitous form of waste on the planet," Herskowitz says. "They are among the most deadly forms of marine debris, lethal to threatened species of marine mammals throughout the world."

For retailers, going green is the new gold.

"It's become part of the competitive landscape to demonstrate that it's part of your culture," says David Szymanski, marketing professor at Texas A&M University. "Retailers who want to connect with this generation have to go green."

Although smaller retailers — including Whole Foods (WFMI), Trader Joe's and regional grocer Stop & Shop — have given consumers financial incentives to re-use bags, most big retailers have stopped short of giving customers money to bring their own bags.

For the moment, at least, Wal-Mart, the world's largest retailer, has no plans to pay customers to use their own bags, spokesman Kory Lundberg says.

So the Target and CVS programs are raising eco-eyebrows.

The Target program, which will roll out on Nov. 1 at all 1,700 Target stores nationwide, could save billions of plastic bags. The chain posts upwards of 1.5 billion transactions annually — most ending up in more than one bag.

A pilot test in 100 Target stores earlier this year resulted in a hefty 58% reduction in plastic bags used, says Shawn Gensch, vice president of marketing. "The best-case scenario is that we'll have 100% success and every consumer will use a reusable bag."

The CVS program, rolling out to 7,000 stores over the next three weeks, requires customers wanting to participate to buy a 99-cent tag to be scanned with their CVS card.

"We reward customers for doing good things," says Melissa Studzinski, the chain's director of relationship marketing.

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