![berlin® PACKAGING]

E-Commerce Packaging Insights & Innovation

Berlin Packaging White Papers

Introduction

E-Commerce Ready Packaging

What is E-commerce Ready Packaging? How will it benefit my business? How does it work?

What is E-commerce Ready Packaging?

Glad you asked! E-commerce Ready Packaging is packaging that has been tested and certified to ship from an e-commerce provider through carrier services without damage or leakage.

How does it benefit my business?

E-commerce Ready Packaging can help your business Package More Profit. Choosing certified E-commerce Ready Packaging can improve customer satisfaction and loyalty and reduce returns and chargebacks.
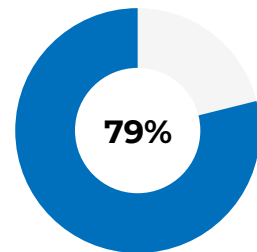
How is packaging certified?

Packaging products are put through rigorous testing in order to assess pressure, vibrations, leaking, temperature control, and impact to simulate potential hazardous conditions when shipping.

$740 Billion

In the US, e-commerce sales are expected to surpass $740 billion by 2023

56%
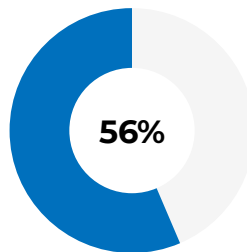
56% of consumers received damaged packages (2018)

79%

79% of consumers would not purchase from a retailer again if the delivery was damaged (2018)

*While Berlin Packaging's stock E-commerce Ready Packaging has been tested for compatibility, it is the customer's responsibility to test the completed product (filled and packaged) to ISTA and APASS standards for full certification.

Introduction

There's no question that online shopping is booming. Just think about how many digital purchases you've made in the last day, week or month. While e-commerce was a growing channel pre-COVID, the pandemic has caused it to rapidly accelerate. McKinsey & Company analysis showed 10 years' worth of growth in just 3 months in early 2020.

> According to eMarketer, e-commerce sales are expected to reach $710 billion in 2020, representing an all-time high of 14.5% of total US retail sales.

The numbers shown above are expected to keep rising. In this new age of digital commerce, companies need to consider different ways of connecting with their consumers and creating positive brand experiences - from the discovery process, to the purchase, to the package delivery. This white paper will look at consumer shifts, category trends, and packaging considerations affecting the e-commerce channel.

The Digital Consumer

Convenience is King

Today's consumers are leading increasingly busier lives and looking for products and technology that help save them time. Convenience has become a key priority for shopping so the ideal e-commerce experience will help consumers quickly and easily find and receive the products they need.

Click-and-collect, curbside delivery, and home delivery can save consumers valuable time. Monthly subscription boxes and auto refill services can create peace of mind and give consumers one less thing to think about. Packaging can also provide added convenience including frustration-free, reusable, easily recyclable, reduced waste, and easy to return. All of these things increase efficiency for busy consumers.

Hyper-Connected

We are living in a connected world, and consumers are more connected to commerce than ever before. The use of smartphones is growing and allowing brands to reach consumers in new ways. Analysts estimate that by 2021 more than 50% of e-commerce purchases will be made on mobile devices.

Social media has become a new marketplace, and a way for consumers to connect with brands and discover new products. Smart appliances and apps can track purchases and automatically place orders directly from e-commerce sites, as well as take orders from voice command.

In addition to providing new purchasing methods, this heightened level of connectivity allows consumers to learn more about the brands and products they're buying.

Experience Seekers

Consumers are looking for unique experiences and those that are tailored specifically for them. This can be seen in the growth of subscription programs that allow consumers to try a variety of new products, encouraging experimentation with trial-size packages.

With the rise of technology and digitalization, brands should be careful to maintain some personal connections and optimized experiences. From the initial online purchase, to the final unboxing of the package, the entire e-commerce experience can influence purchase decisions and create brand loyalty.

E-Commerce Trends

Unsurprisingly, some of the biggest product and packaging mega-trends are also relevant to e-commerce. However, these trends also have some unique implications for the digital channel.

Sustainability

While it seems like the latest buzz-word, sustainability is not a fad, but fundamental for a successful brand in 2021.

> According to a 2018 Nielsen global survey, 81% of respondents felt strongly that companies should help improve the environment.

It is no longer a nice to have, but a business imperative. And packaging often plays a key role in a brand's sustainability initiatives. This not only means using sustainable materials, but also considering the entire lifecycle of the packaging from manufacturing through shipping. For e-commerce, this can also mean ensuring the secondary packaging is not excessive, wasteful or otherwise unfriendly to the environment.

E-Commerce Trends

Personalization

EuroMonitor identified personalization as one of the top trends of 2020. And according to a recent Forbes article, consumers spend almost 50% more when their shopping experience is personalized. E-commerce brands can provide personalized product recommendations and special offers based on a shopper's browsing behavior, social media activity, purchase history, personal data and demographics. Subscription boxes like Winc and FabFitFun allow consumers to customize products to fit their needs and preferences Customized packaging from haircare brand, Function of Beauty, allows consumers to create personalized labels and select their preferred pack size. These offerings allow e-commerce brands and retailers to recreate the in-store personal customer service experience online.

Unique Interactive Experiences

Online reviews are no longer enough for consumers to buy a product. They need to be able to know more about a product to be confident in their purchase. Brands are trying to recreate the in-store experience by allowing consumers to interact with products in creative ways. Many cosmetic and clothing brands, including L'Oréal, Maybelline and Chanel, use AR technology that allows consumers to virtually "try on" products. Both Amazon and WalMart allow third party sellers to add 360-degree photos for better product viewing.

Packaging can also be interactive and special. The "unboxing" experience can engage consumers through a product's presentation, wrapping, hand-written note and other structural and graphic design elements (think about how Apple uses their packaging as another part of the brand experience).

Challenges & Solutions

Damaged Product, Damaged Reputation

> According to a 2018 global study conducted by Danaher, 34% of packaging-related returns are due to product damage.

Fragile glass bottles and jars can break. Plastic caps, triggers and other components can crack and cause leaking. Aluminum cans can dent, making the food inside unsafe to consume and the product unusable. Broken primary packaging leads not only to replacement costs (which can be up to 17 times the cost of the original shipment), but also reputational costs.

Partnering with suppliers who have a Quality Service Division can help resolve problems, prevent waste and reduce costs. Also, working with APASS (Amazon Packaging Support and Supplier Network) certified partners can ensure that packaging complies with Amazon's guidelines for sustainability, durability and consumer "delight."

Challenges & Solutions

Safe and Secure

Consumers are becoming increasingly concerned over whether or not a product has been previously opened or tampered with prior to arriving at their doorstep. The heightened health and hygiene concerns as a result of COVID-19 has furthered the need to ensure that a product is safe from contamination, particularly for food and beverages. Tamper-resistant and tamper-evident primary and secondary packaging can give consumers that assurance and confidence. While preventing tampering, these packages should still be convenient and easy to open, and not create additional waste.

Keeping Cool

Temperature-control packaging is certainly nothing new. It's been used in pharmaceuticals and other industries for decades. However, with the increase of grocery delivery usage and services, there's additional opportunities for package design that helps maintain a cold temperature. Research from the Retail Feedback Group finds that about a quarter of shoppers who use grocery delivery say that frozen food items do not meet their quality standards.

While some companies use insulated secondary packaging or dry ice, it is not always consistent or reliable and can often rely on eco-unfriendly materials. Smart packaging features such as origin tracing and temperature control can provide a key advantage.

Waste Not

While e-commerce provides convenience, the excessive packaging is often at odds with consumers' growing eco-awareness and desire to support environmentally-friendly brands. The use of fewer, sustainable materials and re-usable packaging helps address this.

As consumers are frustrated with wasteful secondary packaging, there is an opportunity to reduce the need for a secondary package, with the primary package playing that role as well, especially for large items like laundry and pet food. Nike's new Space Hippie line ships in a single carton made from repurposed material, eliminating "box in a box" waste.

Stock Vs Custom

In most cases, stock packaging can be suitable and effective for e-commerce. Finding a packaging supplier who identifies and sources e-commerce-ready packaging is a great place to start.

Berlin Packaging, for example, tests e-commerce packaging solutions through their Engineering, Quality and Legal teams to ensure APASS compliance. For some products, customized packaging can address specific e-commerce concerns. The following pages showcase three case studies where custom designs were created.

Stock Vs Custom

The Honest Company *- Case Study*

Leaking is not only messy and wasteful, it can damage other products within the same shipment. When online sales increased and leaking challenges arose with The Honest Company's 70 oz. detergent bottle, Berlin Packaging's Studio One Eleven created a package to withstand rigorous e-commerce handling.

The inventive structure employs a thick liner to minimize the assembly gap while ensuring a robust seal, unscrewing threads for secured assembly, and ribs to create sealing surface to meet design intent. The closure sits flush on the bottle for a seamless marriage of the two components. Berlin Packaging and the Studio's design, engineering and quality teams worked together to create a reliable and effective solution for The Honest Company.

Stock Vs Custom

Boulder - *Case Study*

Every Boulder Clean package is expected to perform aesthetically, ergonomically, and environmentally, as part of the company's brand position To ensure their laundry care bottles met this brand promise in the new world of e-commerce, Studio One Eleven designed the 100oz and 230oz packages to withstand rough handling during shipment, even while upside down.

> "Drop testing from various heights and other extreme scenarios must be included for any packaging to make sure it will survive this new supply chain."
>
> - Studio One Eleven's Shar Puskala

As an APASS supplier, Berlin Packaging ensured the bottles are complaint with Amazon's requirements.

Stock Vs Custom

Rejuvenate - *Case Study*

For Life's Product Rejuvenate Dual System Outdoor House Wash and Window Cleaner was the first product of its kind in the home cleaning space. Users enjoy the convenience of effortlessly switching between house wash and window wash applications without disconnecting and reconnecting separate packages. Studio One Eleven designed, engineered and purpose-built a custom-made patented sprayer and handle that allows consumers to switch between the two formulas with a simple rotation of the sprayer nozzle.

Because For Life's products are sold across multiple channels, the Studio's Life Cycle Analysis was especially critical. To ensure product protection and integrity in e-commerce applications, the system ships with a specially-designed and threaded closure that was accounted for in the product's architecture.

Summary

E-commerce is here to stay and companies need to consider how to best meet consumers changing needs and expectations in the digital age. When it comes to packaging, customers expect their purchases to arrive undamaged and in as little packaging as possible.

Partnering with a supplier who understands the challenges and requirements for e-commerce package design can help drive business success by reducing return rates and chargebacks, maintaining your brand's good reputation, and improving your company's overall bottom line.

Visit our website or call the number below to be contacted by a Packaging Consultant.

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