

# PACKAGING: A KEY FACTOR IN E-COMMERCE SUCCESS

Packaging sits at the heart of the e-commerce chain from packing and shipping to last kilometre delivery.



antalis<sup>TEAM</sup>



## PACKAGING IS THE KEY TO MASTERING THE ONLINE SALES CHANNEL

**E-commerce is fast becoming the preferred way of shopping for businesses** and consumers across the globe, and the coronavirus pandemic has only accelerated the movement to online sales.

E-commerce retail sales in the US have been growing by 30% on a quarterly basis year-on-year since the pandemic began in early 2020, according to the US Department of Commerce. In Europe, online sales totalled €717 billion last year, according to digital publisher Ecommerce News Europe, with the United Kingdom (€220 billion), France (€115 billion), and Germany (€83 billion) the largest national markets. Globally, e-commerce retail sales jumped a staggering 27.6% to \$4.28 trillion in 2020 and migration online is likely still in its early stages.

A recent survey by Antalis Packaging of 220 people involved in the UK packaging industry found that 63% of respondents expected e-commerce to overtake “bricks and mortar” sales within the next decade, and 88% of them expected to spend more on e-commerce over the next five years.

The rapid growth of the online sales channel presents major logistics challenges for businesses. **At the heart of those challenges is product packaging.** From the packing process and shipping function to the customer experience and product returns policy, packaging choices are central to the efficiency and overall success of e-commerce order fulfilment. Add in the growing public demand for eco-friendly business practices and the humble package has become a crucial factor in both the competitiveness of manufacturers and the public perception of businesses in the age of e-commerce.





# SUMMARY

1. Packaging at the centre of order productivity
2. Packaging at the centre of transport optimisation
3. Packaging at the centre of the customer experience
4. Packaging at the centre of product returns policy





# 1 Packaging at the centre of order productivity

An efficient e-commerce  
operation begins with a good  
package.







# HOW YOU PACKAGE YOUR PRODUCT MAY BE **THE BIGGEST FACTOR** IN HOW PROFITABLE YOUR ONLINE SALES CHANNEL IS

---

## IS YOUR BUSINESS READY FOR BLACK FRIDAY? CHRISTMAS?



**Mark Rosenkjaer,**  
Account Manager Packaging  
at Antalis Packaging Scandinavia.

“Packaging production capacity is stretched to the limit. The entire industry is facing a lack of supply in paper and cardboard and even plastic.

**It makes good forecasting of customer demand more important than ever.** A lot of newcomers to the e-commerce market don’t know a lot about logistic systems **or** their capacity to handle large order volumes. Our job is to help them optimise their processes.”

The extraordinary growth of e-commerce over the last few years is starting to produce growing pains in the packaging and logistics services industries

that online order fulfilment relies on. It isn’t just the market getting tighter. The cost of warehouse space continues to rise across global markets, so third-party logistics services that fulfil the swelling tide of online orders are also feeling the strain. For businesses ramping up their e-commerce capabilities, the focus is on **productivity and efficiency.**

One great way to do that is through **automation of packaging functions.** Not only can it speed up throughput in a business, which is key during peak demand periods like the holiday season, but it lowers costs in the long run. With the largest e-commerce players constantly delivering faster and for less money, **long-term productivity** is essential for a profitable online sales operation. Automation does not come cheap. For businesses selling smaller volumes of products, it may not make sense. But if you expect e-commerce to take your business to a new level, you should be considering every opportunity to become more productive.

It might help get you through the next Black Friday.

# AUTOMATION CAN REDUCE COSTS IN THE LONG RUN AND IMPROVE LOGISTICS **EFFICIENCY AND CAPACITY**

## 1 Semi-automated pallet wrapping

Pallets form the basis of product shipments, and their correct wrapping and banding is essential for secure distribution through the logistics chain. The average pallet can be handled up to 15 times during shipment and must remain solid and secure.

**Walkers Transport**, a leading UK transport and logistics company that handles about 4000 pallets a day at its super-hub in Leeds, was having damage issues with some pallets. This was in part because the pallets were being manually wrapped, but also because the pallets they received from customers were often already damaged.



The solution proposed by Antalis was a semi-automated Masterline pallet wrapper. This can wrap up to 25 pallets per hour, which is significantly faster than manual wrapping, with a more consistent quality. **It improves employee health and safety, reduces product damage, and can lower costs** by up to 60% in the long run.



## 2 Automated base tray and lid system

Matching right-sized boxes and cartons for a range of different products can be time-consuming and inefficient. An automated base tray and lid system can not only speed up the process, but **reduce the warehouse space** needed to store multiple sizes of boxes.

When the item is placed in the tray, the machine determines how much space remains in the carton before creasing and folding the flaps to remove the void, then applies the lid. It **reduces the need for use and storage of void fill and reduces the volume of packages** which can dramatically lower overall distribution costs.

## 3 Automated void fill on demand

Polystyrene chips take up a lot of space. **Automated, on-demand void fill systems can generate fill rapidly and save enormous amounts of space that would be** needed to store pre-formed void fill. The systems can be paper or plastic based. An A4 sized pack of paper can fill the same volume of void as three large bags of polystyrene chips. Or air cushioning systems inflate plastic film pockets, with the compact rolls of film taking up far **less storage space** than pre-formed fill.



**Contact Us Now >**





## 2 Packaging at the center of transport optimisation

Good packaging can make product deliveries easier.



# GOOD PACKAGING AND SUCCESSFUL PRODUCT DELIVERIES GO **HAND-IN-HAND**



The choice of materials and the design of packaging can go a long way to reducing the costs of delivering large numbers of packages to consumer doorsteps. **Here are six tips to help optimise your product transport operations.**

**1-Protect your product.** Protection is the first and most important function of packaging. A damaged product that must be returned can cost several times as much as a successful delivery. It also leads to a bad customer experience.

**2-Tamper-proof packages.** Shipments travelling significant distances are vulnerable to tampering. But packaging can help reduce the risk. Tamper-evident packaging such as blister packs and vacuum-sealed containers enable businesses to identify packages that may have been compromised. That in turn allows them to remove specific items from the supply chain rather than recalling an entire shipment.

**3-Don't over-package.** Shipping air is expensive and often unnecessary. While product protection is essential, over-packaging can lead to higher packing costs, greater fuel consumption in transit and increased waste. Right-sized packaging can dramatically improve the efficiency of logistics and reduce the need for void fill to protect the package contents.

**4-Secure loads in transit.** Properly securing full or partial shipments for transport can minimise damage to products during shipment, regardless of the medium of transport. Talk with your

packaging and shipping partners to ensure high quality load securing practices. The efficient wrapping and secure banding of pallets, as well as good driving behaviour, will reduce the movement of packages and their contents in transit.

**5-Choose packaging to facilitate final delivery.** The last kilometre is the most expensive one. The final step in the logistics chain, i.e. delivering a package to the customer, can represent between 25% and 50% of total delivery costs, depending on the product and the location of the business and customer. Right-sized packaging creates smaller packages and makes it easier and less costly for couriers to complete the last leg of an e-commerce transaction.

**6-Tag and track packages.** Online customers want to know where their order is every step of the way. Tagging shipments with GPS sensors enables them to be tracked in transit. The real-time data helps shippers optimise their resources and gives customers a better idea of when to expect a delivery. When integrated with logistics software, customers can receive emails for each movement of a package and the number of failed deliveries is substantially reduced.



# FULFILLING THE E-COMMERCE POTENTIAL



## Best practices of packaging in transport logistics

### 1 Amazon Certified Frustration-Free Packaging

The global e-commerce giant continues to drive the fulfilment market with ever faster delivery times. It has bought shipping companies, assembled a fleet of aircraft and will surely have squadrons of drones soon delivering packages. **Amazon** also continues to **reduce the amount of packaging** it uses and encourages vendors on their platform to do the same, reducing costs and environmental impact through the **Frustration-Free Packaging Programme**. The programme offers more sustainable packaging that is right-sized, reduces damage, is often made of recyclable packaging materials and is easier for customers to open. This optimised packaging produces more satisfied customers, provides greater product protection, and reduces overall shipping costs.



### 2 Logiun - Reusable Pallets With Tracking

As consumers become more quality-conscious, packaging and transportation costs have increased. Startups working in the logistics sector are developing integrated, returnable, and reusable packaging solutions to reduce costs. Some of the solutions include the use of sustainable packaging materials, adoption of clean designs, and supply chain optimisation. Brazilian startup **Logiun** develops packaging solutions that aim to **reduce the resources involved in supply chain optimisation**. They offer management of returnable pallets for the automotive, chemical, and transportation sectors. Their containers can easily be tracked while in transit, **enabling** processes like returns requests to be automated.



### 3 SpotSee - Condition Monitoring For Goods

Both internal and external conditions have to be considered when planning product shipments. Innovative tools that monitor conditions of transported goods take different factors such as temperature, humidity, rolling and vibration caused by low-quality roads into account. All those conditions can be tracked and analysed using tools such as SpotBot Cellular and TiltWatch from **SpotSee**. These tools **reduce the risk of damage to fragile** products and actively monitor shipping conditions like temperature and humidity levels in transit.



[Contact Us Now >](#)





# 3 Packaging at the centre of the customer experience

Putting your best foot forward.





# THE PACKAGE MAKES THE PRODUCT

---

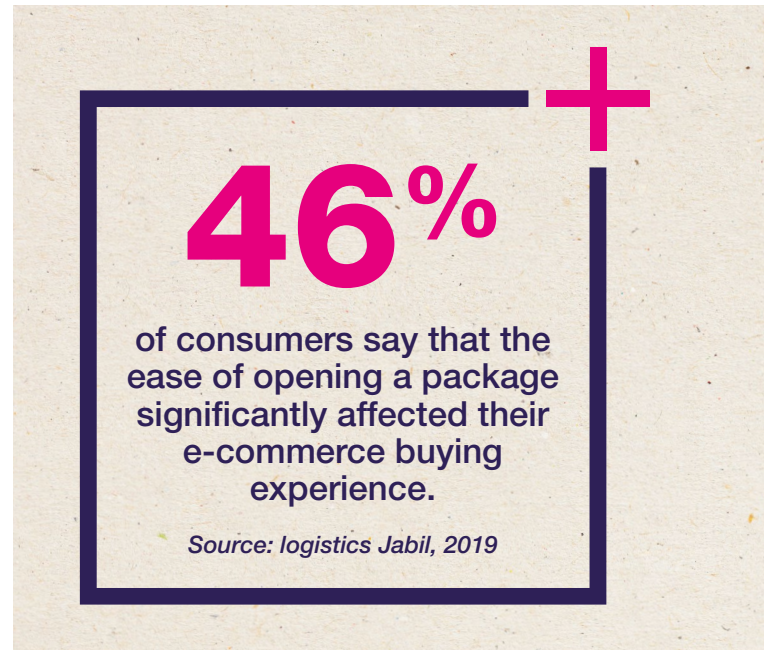
**You only get one chance to make a good first impression and for e-commerce sellers, packaging is the first physical point of contact with online buyers.**

If you've watched unboxing videos on YouTube, as most of us now have, you'll know that a negative experience from one consumer can quickly reach thousands of others and damage a brand's image in the marketplace. **Packaging makes a much bigger impression** - good or bad – on online buyers than those who purchase the product in stores.

Surveys conducted by packaging companies like US based Pregis or OnlineLabels.com regularly conclude that online consumers believe products with “premium” packaging are more prestigious and have more value than those with “economy” packaging, despite there being no differences in the products themselves.

On the other hand, **sustainable and environmentally responsible packaging** has also become important to many consumers online and off. If packaging is purposefully minimal (while still protecting its contents), and made from **recycled or biodegradable materials**, customers may look favourably on it, particularly if some messaging is included that explains its eco-friendly characteristics. However, a package damaged in transit, one that is hard to open or otherwise leaves the customer cold, can make for a bad experience.

While packaging decisions are crucial to fulfilling e-commerce orders efficiently and sustainably, businesses don't have to ignore the potential wow factor that packaging can bring to customer experience. Packaging has provided significant marketing value for millions of businesses for



many decades and it continues to have a big impact, for better and for worse, on customer perceptions.

**Bespoke packaging solutions** that add aesthetic value to packages, perhaps by personalising them with customer names and messages, are increasingly affordable through digital printing technologies.

The key is to balance the enhanced experience factor with functionality and cost.

# FUNCTIONAL PACKAGING SOLUTIONS THAT **DELIGHT CUSTOMERS**

---

## 1 Peach and Polly

**Peach and Polly** is an online store based in Melbourne, Australia, that produces gift packages for new and expectant mothers. They include things like teas and bath and body products. A major aim is to provide recipients with a **heart-warming unboxing experience** and its packaging does the trick. The gifts come **with personalised cards, cute stickers and colourful tissue paper**, much of it peach coloured. The card is compostable and the rest of the packaging is made from 100% recycled materials.



## 2 Sezane

**Sezane** unboxing videos invariably feature delighted customers. The Paris-based maker of women's clothing and accessories is known almost as much for its tasteful packaging as it is for its products. It is **creative and tailored to different items** and marketing campaigns rather than sticking with a single design. The company also has an **eco-friendly approach**. Its products are made from 70% eco-responsible materials and the cardboard boxes they come in, often with elegant messaging, derive from sustainably managed forests with the FSC certification. Customers also have the option to receive minimal packaging.



## 3 The Geami WrapPak

**The Geami WrapPak**, created by Ohio-based Ranpak, combines functionality and protection with a pleasing design touch. Made from die-cut kraft paper with a tissue paper interleaf, **the kraft paper is converted into a 3-D honeycomb structure** that is highly protective and doesn't require cutting or adhesive tape to secure. It's **ideal for fragile items** vulnerable to scratching. The kraft paper converter can be operated manually for small volumes or electronically for larger volumes. The material is not only easy to pack and unpack but is also made from recyclable paper and gives a "gift" quality to wrapped products.



**Contact Us Now >**







# 4 Packaging at the centre of product returns policy

Product returns can reduce e-commerce profits.





## PLANNING FOR **SUCCESSFUL RETURNS**

E-commerce consumers want it all: **the right product at the right price with free shipping and delivered yesterday.**

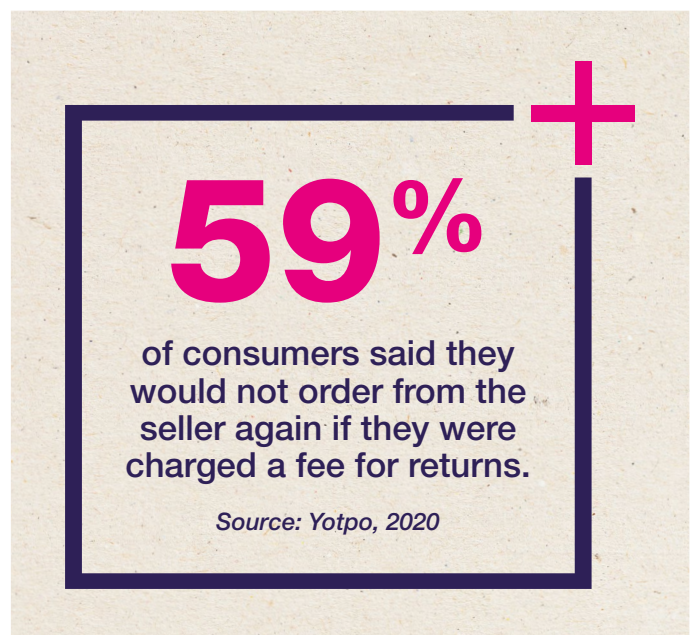
The biggest e-commerce players like Amazon are inexorably pushing the market towards fulfilling those very high expectations.

For many online sellers, dealing with product returns is an afterthought, a bridge to cross when they come to it. That mindset can be costly, given that return rates average a staggering 25% on online orders according to logistics software firm Paazl. What's more, only 20% of those returns are because of damaged products.

In the bricks-and-mortar world, customers unhappy with their purchase simply bring the product back to the retailer they bought it from.

**Online consumers, on the other hand, want to return a product with no questions asked and at no cost to themselves.** That can get very costly for businesses, as return trips, hopefully followed by the shipping of a replacement item, can ultimately cost several times more than a successful delivery to complete. There are also additional carbon emissions and waste involved in returns. An estimated 2.6 million tonnes of returned clothes from online purchases ended up in landfill in the US in just one year, according to logistics firm Optoro.

**Simple and easy returns policies** however, are an essential marketing tool for e-commerce sellers. In a survey of online consumers last year by e-commerce marketing platform Yotpo, 70%



of participants said the returns policy was important to their purchasing decision. If an online customer is unhappy with a product and then unhappy with the terms of return, you've probably lost that customer.

Thoughtful packaging can help companies deal with the inevitable costs and logistics of customers returning products. Increasingly online retailers that have high return rates - like clothing manufacturers - are enclosing return packaging to help customers send the items back more easily. Tear strips that minimise damage from opening a package, second seal strips to reclose packages and printed instructions can make it easy for customers and make them more likely to order again.



# PACKAGING AND RETURNS POLICIES THAT SAVE MONEY AND BUILD CUSTOMER LOYALTY

## 1 Casper

A foam mattress is tough to stick in the mailbox. Mattress-maker **Casper**, however, has devised a clever returns policy for online buyers. It **offers a 100-day trial period** to test the mattress and an easy returns process if you just can't get comfortable. The company picks up unwanted mattresses and donates them to charity. The policy ensures a good customer experience (if not sleep), and projects confidence in their product.



## 2 Asos



Clothing makers are a huge segment of the online retail market. As online consumers like to “buy to try” clothing items, companies can face return rates of 40% and more on e-commerce transactions. Last year, online UK fashion and cosmetics retailer **Asos** took a novel approach to try and reduce costly clothing returns. It's letting customers **try out digital garments in 3-D before they buy**. Using an augmented reality tool developed by Israeli tech firm Zeekit, customers can see more than 800 clothing items on a wide range of different sized virtual models. Early research suggests it has cut product returns by 5% and reduced multiple size purchases with subsequent returns by 25%.

## 3 TV retailer

Safe product returns are just as important as safe deliveries. For example, a client of Antalis Packaging selling televisions was writing off thousands of TV sets annually because of damage suffered on trips back to the company's return centres. The TVs were usually returned to stores without the original packaging. The store staff would then pack them into simple boxes without cushioning to send to the return centre. There was frequent damage. **Solution: easy-to-assemble corrugate boxes that can accommodate different sizes of TVs, with a crucial piece designed to secure the plug and avoid damage to screens.**



[Contact Us Now >](#)





## REMEMBER

---

**E-commerce presents extraordinary opportunities** for start-up companies, existing retailers, and product manufacturers to reach new markets and customers. It also poses extraordinary challenges to traditional business practices.

Making a sale and growing a business is no longer about fighting for shelf space at retailers or attracting customers with a clever mailer. Businesses now have dozens of potential competitors accessible to customers with a click of a mouse.

Many businesses are struggling to adapt to this very different marketplace. **Success in online sales channels requires speed and efficiency.** If a business can't deliver a product how and when an online shopper wants it, they will buy it elsewhere.

E-commerce puts a **bigger premium on optimised management of inventory, warehouse space and third-party shipping and logistics services.**

Inefficient operations in an e-commerce setting can quickly result in cost overruns and disappointed customers—particularly during

periods of peak demand. With market giants like Amazon, JD.com and AliBaba pushing the envelope on speed and cost, businesses who don't constantly improve their operations will not survive.

**Packaging is the place to begin the drive for speed and efficiency.** Decisions taken on packaging materials and design will reverberate across a business' operations. They impact how efficient the packing process is, how much warehouse space is needed, how fast and effective the delivery process is and how good or bad the customer experience is when a package arrives at their door.

Online sales channels can be a boon for manufacturers in virtually all industries and at every stage of development. But they demand higher levels of productivity to leverage profitably. The commitment to continuous improvement of processes will pay off through happier customers, lower costs, and higher profit margins.

**Start with the package.**





# ABOUT ANTALIS

---

## SMART PACKAGING LEADER IN EUROPE

Antalis Packaging is the European leader in industrial packaging with operations in 28 countries.

As a trustworthy and effective logistics partner, Antalis offers a diverse range of value added services and can supply packaging with short delivery times all over Europe.

## INNOVATIVE PRODUCTS ADAPTABLE FOR EVERY NEED

Antalis Packaging has expertise in industrial, logistical, e-business and operational processes. We provide high-quality, reliable and effective products and work closely with customers to develop dedicated solutions that address their specific challenges.

Antalis' multi-material design experts help evaluate the needs of the customer to develop the solution best suited to the job. We have a wide range of over 53,000 products that are adaptable for every need, from cardboard boxes, stretch films and adhesive tapes to cushioning and strapping materials, combined with high-performance packaging systems.

On the service side, Antalis helps clients find ways to optimise their internal processes, improve product protection and reduce the total cost of operations.

We offer flexibility for customers of all sizes, from SMEs to large multinationals around the world.

## SPECIALISED PACKAGING DESIGN CENTRES

Strengthening our expertise in bespoke packaging, innovation is at the heart of all solutions created by any of Antalis' 6 Packaging Design Centres in the UK, Germany, Poland and Denmark. Here, talented Packaging Engineers and Designers have created over 10,000 bespoke packaging solutions.

In the UK, our design centre specialises in creating solutions to a wide range of customer challenges using innovative materials and packaging designs, including improvements in customer experience, sustainability, logistics, cost reductions, efficiency, and more.

## SUSTAINABILITY IS AN ESSENTIAL PART OF OUR STRATEGY.

At Antalis Packaging, we are reviewing our whole value chain to make sustainable packaging possible. How we source, how we design, how we distribute and how we promote recycling: we have assessed the complete life cycle of packaging through 4 pillars: sourcing, design, distribution, recycling.

# WE CREATE SMART PACKAGING SOLUTIONS!

**Speak to our experts  
about improving your  
packaging to deliver  
ecommerce success.**

**Contact Us Now >**

# WE TAKE YOU FURTHER

Join us on our **Linkedin Page [Antalis Packaging](#)**  
to find more information about key success factors  
for packaging in e-commerce.



**SMART  
PACKAGING  
SOLUTIONS**



[www.antalis.co.uk](http://www.antalis.co.uk)

antalis EM