



## 6 Steps to successful e-commerce packaging






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“Globally Online Retail is estimated to be worth over €2.55tn in 2022 and represents 15% of the overall global retail. This number is predicted to reach €3.5tn by 2025.”

Source: Global Data, 2022



# Introduction

*E-commerce has become a vital part of the retail landscape. But it is still a relatively new channel and there's still a lot to learn.*

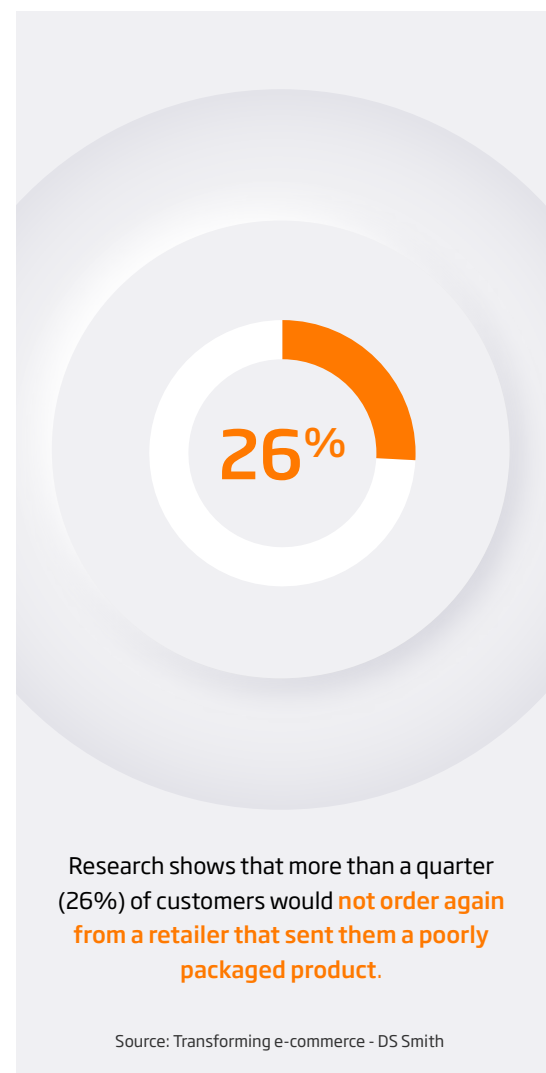
*Packaging, for example, isn't just a case of putting a product in a box and sending it on its way with your fingers crossed. It's about customer satisfaction and creating a positive customer experience. It's about brand building. It's about logistics and the challenge of delivering an item in perfect condition. It's about increasing sales and managing risk while keeping costs at a minimum. And, now more than ever, it's about sustainability too.*

*From Clothing to Beauty and Personal Care, from Home & Office to Consumer Electronics, packaging that fails to meet these challenges means lost customers. Our research shows that more than a quarter (26%) of customers would not order again from a retailer that sent them a poorly packaged product.*

*Successful e-commerce packaging comes from an appreciation of not only the ultimate unboxing experience but every step along the supply chain, from fulfillment to delivery - and that could be up to fifty separate touchpoints.*

*The '6 steps to e-commerce packaging success' breaks down the journey into manageable sections and identifies specific issues faced by brand owners, retailers and logistics service providers at every stage.*

*Discover how the e-commerce packaging experts turn theory into everyday, real-life examples of best practice.*





# Step 1: Understand

*The first step is to explore trends in your market in order to derive insights into how e-commerce fits into the mix. It's important to take the time to understand the role packaging plays so the customer experience can be optimised.*

## **Importance of the unboxing experience**

It's also crucial to understand how your customers are perceiving your product packaging. Whether it was a considered purchase or an impulse buy, what are their expectations? How can the packaging help create a connection between your brand and them? In e-commerce, more than anywhere, first impressions count - and unboxing is a great opportunity for a brand to connect with customers. This could, for example, be through personalisation, digital printing or highly cost-effective inside printing which gives a WOW without busting the budget.

## **Differentiation**

Think about differentiation as well. How does your packaging stand out from the crowd and what will make customers come back for more? Step into your customer's shoes and imagine the possible packaging pitfalls - and opportunities. No user guide in the box? No problem... because the packaging includes a QR code with all the instructions they need.

## **Ease of returns**

Returns are a key issue for clothing brands. According to Global Data, "Clothing & Footwear is estimated to account for 69.5% of all returns in 2022, with the value of returned goods rising by 44.8% to £3.7bn since 2017". Often the reason is damaged goods or products not meeting expectations, but people will also deliberately order different sizes to find the perfect fit. Making those returns as simple (and as sustainable) as possible is an easy win for customer and brand alike.

## **Fit for purpose**

The size of packaging is important too. One size definitely does not fit all, but do you need a different box for every single one of your products? Finding the right balance between packaging options is key. Above all, avoid sending out small products in big boxes or you're just shipping - and paying for - air!



**Clothing & Footwear is estimated to account for 69.5% of all returns in 2022**

Source: Global Data, 2022





## What the e-commerce experts say:

We aim to inspire but also challenge, supported by strong insight and expertise. That means we may say: 'Actually that specific box won't meet all your brand's needs'. That's what makes us different.

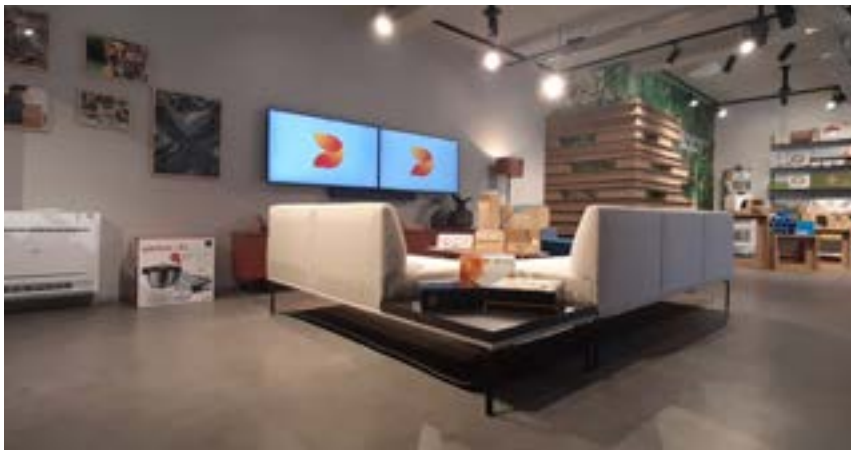


**Lydia Butler**  
North Europe Regional  
Customer Experience manager  
at DS Smith Packaging

Customers are very welcome to visit our Impact Centres where we can host interactive and collaborative e-commerce workshops involving all the right experts. Every customer and every business is different so we adapt the agenda and focus to your unique needs.

We start at the 'first moment of truth' by ordering an e-commerce product from their webshop and any e-tailers who stock their products. It's a way of helping brands and retailers confront their own packaging - as a customer.

Opening a product, in a living room setting, and having an actual unboxing experience in workshops helps brand managers or packaging technologists become their own advocates. They experience unboxing just like their own customers - and it's not always what they expect!



"The most common conversations I have with customers are about premium products versus sustainability versus cost. Where do you draw the line between functional and aspirational, a plain brown, or sustainable smart brown finish at one end of the spectrum and the premium, printed experience one at the other?"



**Olivia Van Hauwermeiren**  
Customer Experience Manager  
at DS Smith Packaging

It's important that we properly understand our customers' needs, equipment and set up at an early stage. E-commerce packaging is completely different from traditional retail packaging - and needs to be treated differently. By exploring best practise and their competitors packaging offers at our Impact Centre, we can help customers better articulate and agree on the brand experience they want to create balanced against operational factors, and understand the importance and consequences of the choices they need to make when they move onto the next steps of the journey with us.



# Step 2: Assess

*The e-commerce journey is long - with complex distribution methods and up to fifty unconventional touchpoints across your supply chain. Compare that with a bricks-and-mortar supply chain, which has an average of just five touchpoints! In short, there's so much more to think about with e-commerce, so much potential for packaging damage and so much more to get right along the way.*

## **Map your journey**

This means you need to audit and map out the entire packaging supply chain from fulfilment centres right up to delivery - and returns. That entails working with your packers, logistics partners and many more stakeholders to assess not only the obstacles but the opportunities too. See it as a chance to do things better than your competitors across the entire supply chain to minimize the risk and reduce the cost to customers.

## **Considerations for brand owners and e-tailers**

Typical issues for brand owners to address at the assessment stage of the e-commerce journey include working out why products are getting damaged before delivery. Damaged packaging reflects badly on your brand and you need to protect your goods and reputation. Rest assured, optimised, robust packaging can still be attractive to protect both your product and your brand. And luxury packaging doesn't need to cost the earth.

Rachida Dahmani, Key Account Manager e-commerce at DS Smith Packaging, says "It's also important to appreciate the importance of omnichannel packaging requirements. This is really crucial for brand presence as the experience must be consistent for the customer regardless of whether they collect the product from the store, get it delivered to home or collect from a locker."

## **Added value**

In Beauty & Personal Care, Food and Beverage, as well as Home and Decor sectors, special attention needs to be paid to fragile products like glass bottles (wine and perfumes), ceramics and all kinds of liquid containers. Assess where they might be most vulnerable along the way. And think about sustainable protective packaging which not only protects your products but adds another element to your brand story - and another reason for customers to choose your brand over another.

*"DS Smith created the 5 Easies to help customers identify what's important to ensure their packaging performs through the e-commerce supply chain."*

1. Easy to Source
2. Easy for the Customer
3. Easy to Pack
4. Easy to Ship
5. Easy to Recycle/ Re - use

**Rob Wheatcroft**  
Innovation Specialist



## Efficiency

Logistic partners, too, can make savings by assessing how efficient their packaging options are. Dealing with big volumes can lead to complexities unless packaging is optimised not only to individual products but the overall logistical operation. Are too many different types of packaging being used leading to excessive costs? Or too few leading to damaged goods or inefficient use of transport space? Where does the optimum packaging solution lie?

“ We request a site visit with all our clients to understand the journey their products go through. We analyse how they are received and stored, stocked, how the order is packed and how it's shipped. We review damage issues. And, most importantly, we check how the end customer receives it and what the returns process is.

We assess the pain points, the challenges and expectations. Then we make designs to match the requirements of each step.

We also visit a lot of logistics service providers in order to understand how they work - and to derive useful insights. What are the pain points, what are their targets?

We recognize our customers' focus differs. While logistics companies tend to focus on easy and efficient solutions that aid productivity, brand owners are more focused on special projects and developing more complex designs.

In e-commerce we have to understand how the supply chain works for each customer. Some have too many SKUs and need to optimise their range of products, others have small items and don't have the right packaging.

We don't necessarily have a solution for each and every request, but we support our customers in how they can optimise the way they work.

## What the e-commerce experts say:

“Supply chain thinking  
is a key part of our  
conceptions”



**Rachida Dahmani**  
Key Account Manager  
E-commerce at DS Smith  
Packaging



# Step 3: Co-create

*Steps 1 and 2 demonstrate that there's a lot to consider with e-commerce packaging. That's why it makes sense to partner up with experts who can work with you to create the best packaging solution for your particular challenges.*

## Collaboration

Co-creation normally starts with a collaborative workshop where packaging experts work together with your customer teams to explore what's possible. The aim is to develop and deliver an ideal solution that focuses on supply chain effectiveness and maximises opportunities to increase sales, reduce costs, manage risks and support circularity.

According to Mette Staal, Innovation & Design Lead at DS Smith Packaging, "DS Smith PackRight Centres are perfect places for us to collaborate with customers." These are strategically located hubs where customers get to meet and work with structural designers, graphic designers and sales & marketing specialists to develop the perfect packaging.

## Sustainability and re-usability

Design specialists can help design circularity into your packaging with an emphasis on re-usability in the supply cycle. That means identifying the correct materials to stay within the principles of the circular economy, removing plastic and achieving sustainability certifications (FSC). After all, if you've worked hard to create an eco-friendly, organically sourced sustainable brand, you don't want to undo all the good by shipping in single-use plastic!

## Versatility

Alongside its sustainability credentials, cardboard packaging also has the benefit of being incredibly versatile. E-tailers looking to differentiate themselves from their rivals find it the ideal material to make them stand out while also being fit for purpose. Consumers are no longer accepting tiny products being delivered in massive boxes. And while it seems normal today for apparel companies to rely on plastic bags for returns, that tide too might turn as consumers take a stand and demand more sustainable options. In the world of Consumer Electronics, one of the biggest brands has already begun designing-out materials like expanded polystyrene in favour of more eco-friendly solutions.



Forest Stewardship Council (FSC) certification indicates that wood used to create packaging materials has been sourced sustainably.

## What the e-commerce experts say:

"It's always beneficial to sit together with customers and discuss different views"



**Mette Staal**  
Innovation & Design Lead  
at DS Smith Packaging





When we meet our customers for co-creation we sit together to gather insights. By that time in the process, we know about their background and their facilities. But we then explore questions like “What are the goals to be achieved with packaging”? That’s when we do something unique: we create something together that really fits their needs.

When a package arrives through the post, it is the first point of physical contact with any new purchase. How are you going to say Hello to your customers? It’s important to know and understand them to know which tone of voice to use. Should you be funny or should you be more serious? How about using a QR code that links to your website?

How do we handle the topic of sustainability without greenwashing? We do it by getting customers’ personal views on sustainability. They explain their story from their particular point of view: what are they doing already and what do they want to achieve?

E-commerce is becoming such a powerful channel. But it can still be unpredictable. There’s always an exception to every ‘rule’!

## What the e-commerce experts say:

“We have developed a unique tool called Circular Design Metrics. It comes into play when we discuss the sustainability of a solution and consider how we make the most sustainable design choices.”



**Mette Staal**  
Innovation & Design Lead  
at DS Smith Packaging



At a DS Smith PackRight session, all the people you need to create your perfect packaging come together:

- > **Structural designers**
- > **Graphic designer**
- > **Sales and marketing specialists**

# Step 4: Test

*Given the high costs and complex set of operational challenges that come with facilitating returns, it's surprising that more attention is not being paid to the area of packaging testing - before it's sent out to face real world challenges. So why risk disappointing customers with damaged packaging and pick up the bill for it when the solution is simple?*

## DISCS™

State-of-the-art testing facilities are designed to put your e-commerce packaging to the test. DS Smith developed their own testing methodology called DISCS™ which stands for Drop, Impact, Shock, Crush, Shake - the five most common causes of damage to e-commerce packages. The aim of DISCS™ is to ensure packaging resists damage across the entire distribution chain. And it does this by using specific tests that recreate the e-commerce supply route.

## £5.4bn

The online returns channel value in the UK is estimated to reach £5.4bn in 2022.

This is driven by growth in the online channel and by increasing consumer confidence in purchasing and returning online.

Source: Global Data, 2022



**Two DS Smith fully operational  
DISCS™ laboratories**

**Milton Keynes**  
United Kingdom



**Eerbeek**  
The Netherlands





## What the e-commerce experts say:

"Using our laboratory insights, we have developed Next Generation e-commerce materials, which have seen as much as a 325% improvement in performance during supply chain testing, whilst using less material"



**Gavin Mounce**  
E-commerce Design Manager

This industry-leading testing process helps create high-performing e-commerce packaging solutions which are not only durable but sustainable too. The patented system consists of five pieces of equipment that replicate parts of the product journey to simulate real world challenges.

### Packaging fit for the real world

Traditionally, items were only tested for 'ideal' transport conditions with uniformly placed boxes stacked on top of each other. Most damage occurs in the final mile for e-commerce, where the packaging is most fatigued and increased levels of manual handling takes place.

According to Matthew Hulland, Design for Creative Specialist at DS Smith, "what's special about our equipment is that it's replicating real life situations".

Of course, some products don't require the same kind of testing conditions or standards as a 12-bottle wine pack. Testing also takes into account how products are handled differently by different couriers. Some couriers use a completely separate handling process for wine and flowers, while others use different sorting and handling machines. Testing can be tailored to the journey your particular product is expected to follow.

The traditional way of testing was pretty haphazard. It relied on people taking photos of damaged packaging, but it was often unclear what had actually happened and whether this was an accidental one-off situation or a specific failing of the packaging. DISCS™ formalised the whole process and made it a lot more scientific and objective.

DS Smith was one of the first companies to really map the multiple touchpoints on the e-commerce journey. That helped us understand more about the complexities of how packages took different routes. By taking photos and videos, we really started to understand the current testing processes.

In early 2016, we built a prototype laboratory which allowed us to really demonstrate to customers what was happening to their boxes. The prototype went on to become a working lab and the home of the DISCS™ programme. The first fully functional laboratory in Milton Keynes was established in 2018.

"Testing helps us develop more sustainable solutions. An example of this, is one of our latest designs, that not only increases supply chain performance, but requires 20% less material. The laboratory enables us to create real Next Generation e-commerce solutions."



**Marlena Hardy**  
E-Commerce Packaging Business Development Manager at DS Smith Packaging



# Step 5: Partner

*In the e-commerce world, how can you keep costs down and improve efficiency? How can you speed up the packing process? Would automated solutions help or are your volumes too low? Or maybe your packaging types are simply too diverse? If so, what are the conditions for viability?*

## Expertise

All good questions. All require an expert's perspective. Time to find an e-commerce partner to help!

It's important to realise that these are not simple issues. Even for niche brands, packaging automation can make sense. But is it right for your brand? Perhaps you want to personalise all the packaging you send out to create a memorable unboxing experience, but would that slow down the process and rule out an automated route? (Good news - not necessarily.)

## Automation and faster delivery

For logistics operators working at volume, automation is probably a no-brainer. Higher throughput and lower costs... what's not to like?

Big or small business, high or low volume, at the end of the day you need to do whatever you can to speed up the delivery process and get your products into your customers' hands faster than ever. After all, research shows that fast delivery is one of the most important factors for encouraging customers to buy - and then to come back again and again.

Added value services such as DS Smith's Special Business Support can help you identify services to add onto your solutions and guide you through the complexities of systems/automation integration.

## What the e-commerce experts say:

"Normally we start automation at about six hundred boxes per hour. But we also offer solutions for e-commerce start-ups that want to scale up."



**Matthias Hornung**  
Business Support Manager  
at DS Smith Packaging





## What the e-commerce experts say:

"In e-commerce, there are a lot of new and innovative automation projects and machine concepts in the pipeline. There is also a shift towards tailor-made solutions for our e-commerce customers."



**Fabrice Clerc-Renaud**  
ePack Managing Director  
at DS Smith Packaging

"ePack is our online platform offering customers a number of standard sustainable products. It's a one-stop-shop with boxes, tapes and different types of protection."



**Sara Blount**  
Head of Online Sales at DS Smith Packaging

### Designing for automation

A DS Smith customer wanted to increase output and packing speed but its manual procedures meant that would entail taking on more staff. Expensive! We suggested automating the process and adopting a new tray and lid design which also reduced the packaging height. The improved design was not only better from the end-customer's point of view but automation made the whole packaging process substantially faster and more cost efficient

Some customers already know which products they want, while for others it's a totally customised solution - we do both very well.

We offer an online portal where start-ups and SMEs can benefit from the wider global solutions that DS Smith has to offer. So they can take advantage of the unique expertise, insight, knowledge, innovation, support and design that DS Smith has to offer.



# Step 6: Make

*Looking ahead, current growth in e-commerce is only set to continue. According to Global Data, e-Commerce sales represent 15% of the overall global retail today. This is estimated to reach 18% by 2025.*

## Priorities for making e-commerce packaging

There are four key issues to consider when making e-commerce packaging:



Protection



Products arriving undamaged



Sustainability



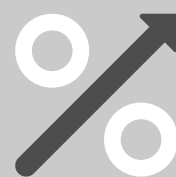
Returns

To achieve the optimum packaging solution you need a supplier who can integrate every type of support and feature, and give full access to all your fulfilment and packing materials - for all types of packaging needs.

DS Smith have the capability to integrate the necessary support and features into your pack, whether those are tear strips for easy opening; re-seal strips for easy returns; or applying print to hero your product.



**"DS Smith's policy is simple:  
only recyclable and recycled packaging materials!"**



E-Commerce sales represent 15% of the overall global retail today

## What the e-commerce experts say:

**"The 'Make' phase is the concluding step where the whole partnership is brought to life."**



**Mariusz Siwecki**  
Business Development Manager  
at DS Smith Packaging



# About DS Smith: the e-commerce packaging experts

E-commerce is a complex business. But the good news is that we are here to help you take it to the next level. Our wide range of products and services ensures there's always a solution to fit your specific business and packaging needs. With years of experience behind us, we also offer specialised, personal support to find the e-commerce approach that's exactly right for you. By understanding your business and exploring your specific e-commerce supply chain, we provide packaging solutions that can manage risk, reduce costs and increase sales. What's more, we do it with 'Circular Ready' solutions that reduce CO2, protect natural resources and help you meet your sustainability goals.

**Meet the experts in e-commerce and discover how we can help you optimize your packaging today.**

[MEET THE EXPERTS IN E-COMMERCE!](#)

