E-commerce in the era of customer experience

The evolution of packaging in the modern customer journey
E-commerce in the era of customer experience

We are currently entering the 4th Industrial Revolution. Massive shifts are occurring when it comes to demand, transparency is increasing, consumer engagement is evolving, and new patterns of consumer behaviour, built upon Moore’s law of exponential growth, are forcing companies to adapt the way they design, market, and deliver products and services.

The evolving consumer-paradigm, driven by unlimited access to information, has led to heightened expectations of the complete digital shopping experience. A series of touchpoints that are not exclusive to e-commerce, but rather a combination of omni-channel experiences which lead to a holistic customer journey.

The package indicates

<table>
<thead>
<tr>
<th>Quality</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much lower quality</td>
<td>7%</td>
</tr>
<tr>
<td>Lower quality</td>
<td>40%</td>
</tr>
<tr>
<td>Inline with</td>
<td>48%</td>
</tr>
<tr>
<td>Somewhat more luxurious</td>
<td>3%</td>
</tr>
<tr>
<td>More luxurious</td>
<td>1%</td>
</tr>
</tbody>
</table>

...than the product quality.

Modern Solutions for Modern Behaviour

Clearly the modern consumer increasingly expects much more than most e-commerce purchases provide. A direct consequence of how exponentially improved products and services have led to exponentially raised expectations from the consumer. Not only this, but e-commerce marketplaces increasingly need to differentiate themselves as the digital interface lacks the emotion of a tactile interaction.

Simultaneously, as e-commerce reaches an elevated level of maturity, retailers seek new and better ways of gaining a distinct competitive advantage in an ever-evolving global marketplace.

Expectations of the modern consumer

Traditional packaging solutions have often been a source of frustration for consumers, with 46% saying that ease of opening significantly affects how satisfactory the purchase experience is perceived to be. As a result consumers are moving towards e-tailers that provide hassle free packaging and are providing a much more considered unboxing experience. Furthermore 54% of consumers surveyed reveal that they prioritize consistency in the customer experience over specific channel needs.

Smart and sustainable solutions

Consumers have come to expect smart-opening features, and for packages to be easy to open without using tools. A tear strip is preferred, and it should be clear on the package how to open it. The products should be well presented, ideally with a personal touch, conveying the sense that someone packed the product especially for them.

Items are expected to arrive in perfect condition, having been well-protected, yet without excessive use of filling material and space. This is especially relevant, as 29% of those surveyed said they are looking for sustainable solutions, when it comes to products and packaging.

Today’s customers are more aware than ever before, of the impact their purchases have on the world around
them. Research has shown that they are put off by waste and gratuitous, unnecessary use of unsustainable materials.

Plastic bags are sometimes considered to be acceptable for soft items as they have a few specific advantages. They are small, lightweight, they fit in a mailbox, and are often designed with a handle. But they also give a cheap impression when compared to a box, and fiber-based materials are considered to be much more eco-friendly than plastic.

Mixing different materials can make it difficult for the consumer to recycle unless the materials can easily be separated from each other. The packaging should be tough enough to withstand bad weather and transport, while remaining lightweight and small.

Communication and lasting impressions
Information about how to make returns should be visible and simple, and the package should be convenient to reseal and return, or to fold and recycle if necessary.

When the product arrives it should be a smaller package than expected, ideally fitting in the mailbox, and easy to carry - preferably with a handle. A flat box is preferred over a square bulky box that is harder to handle and carry.

Packaging should have a second life, it should be so well designed and constructed that the consumer wants to keep and reuse it in the future. This provides the truest test of quality.

How products are presented both inside and out has significant impact on the impression, professionally folded items in silk paper exceeds expectations and gives a luxurious personalised experience, a sense that someone packed the items like a gift, enhancing the feeling of quality.

One brand leading the way here is Zara, with their affordable fashion items arriving in beautifully wrapped packaging. The result is an enhanced feeling of quality in their customer experience despite their items being distributed in high volumes.

E-tailers elevated demands
E-tailers are clearly evolving and their expectations are elevated in sync with the shifting e-commerce landscape. Their increasingly mature market requires much better thought out and designed solutions. Not surprising considering that 88% of them expect e-commerce to grow significantly over the next two years.

Online sellers seek flexibility while simultaneously reducing the number of packaging formats, as well as communicating a sense of quality while being both efficient and cost-effective. A delicate balance that requires new ways of approaching the way we view our packaging.

Specifically they try to avoid expensive specialised packaging designs in low volumes. Rather, they want the ability to utilize flexible solutions that can adapt according to size, and the ability to represent several different brands in the case of multi-brand retailers.

This evolution is also being driven by 3rd party logistics companies increasingly charging by volume instead of a per item business model.

E-tailers therefore want to use as small and efficient packaging as possible – a solution that perfectly fits the ordered item, while easily fitting in the mailbox and at the same time reducing 3rd party costs.

Design should reflect the brand and quality of the products, providing the consumer with a delightful experience for limited collections and premium products, while enhancing the overall perception of the company.

Boxes should also be easy to pack and seal for employees, and have the benefit of being re-used for customer returns. They need to therefore include intuitive sealing, opening and carrying features.

The use of different materials (fiber-based, plastic, tape etc.) should be limited. One should avoid plastic filling material at all costs, as environmentally friendly packaging is preferred. The packaging should ideally be of a material that is not easily damaged or dirtied during delivery, or damaged during opening.

The insights driving innovation
Our challenge is to match the expectations from modern customers and their needs with the desire for cost-effective, smart solutions and features from e-tailers.

It is these two dual perspectives and finding a harmonious balance between them that drives the Stora Enso innovation process forward.

At Stora Enso these insights have led our design teams to think beyond the box, even turning it inside out in order to create beautiful innovative solutions.
Stora Enso’s e-TALES online retail packaging solutions are services and products designed to meet online retailers’ growing need for custom solutions, in an ever changing online market. They are developed closely with stakeholders throughout the value chain in order to make sure that operations, retailer, logistics and customer needs are attended to.

These features consist of a family of packages tailored for online retailers and provide flexible packaging solutions with smart features that emphasize the consumer experience and branding possibilities, while still catering to the needs of the logistics chain.

**About Us**

Stora Enso is a leading provider of renewable solutions in packaging, biomaterials, wooden constructions and paper on global markets. Our aim is to replace fossil-based materials by innovating and developing new products and services based on wood and other renewable materials.

Packaging Solutions division develops fibre-based packaging, and operates at every stage of the value chain from pulp production, material and packaging production to recycling. Our solutions serve leading converters, brand owners and retailer customers helping to optimise performance, reduce total costs and enhance sales.

**About our Viewpoints**

The Viewpoint on the future of E-commerce packaging is the eighth edition in a series of Viewpoints from Stora Enso. Through the Viewpoints we share our view on how our customers can become more successful in addressing future opportunities and challenges through packaging. Please see also our previous Viewpoints on packaging for Food, Consumer electronics, Dairy, Retail, Online retail, Fresh Produce and Millennials. You can find them and learn more about what packaging can do for your business at www.storaensopack.com