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Total cost of packaging

The world is changing, and packaging is changing with it. Global mega-trends are creating new challenges for producers, retailers and brand owners. To sustain margins, product-associated costs like packaging and transport need to be strictly managed.

Packaging, especially corrugated packaging, serves more functions beyond simply carrying the product. The first priority is protecting the product during handling. Product waste is a major issue affecting transport. For example, in the fresh produce sector, we know that every other piece of harvested fruit and vegetables fails to reach our homes* – partly due to rough handling during transport, as well as changes in humidity and temperature.

But there is more to packaging than simple product protection: For consumer products, the packaging itself often carries significant value. Consumers expect both products and packaging to arrive in pristine condition. When the package quality falls

short, so does the brand experience. Research indicates that a lot can be done to heighten the buying and unboxing experience. According to a recent study, 50% of e-commerce customers are disappointed by the quality of product packaging**.

Weak and damaged boxes are just part of the problem, but the material used also plays an important role – 59% of millennials prefer secondary packaging made from sustainable materials (and 89% think it's important for primary packaging too)***.

Traditionally, the costs of material, design, corrugation, packaging, transport and display have been evaluated in isolation from each other. But when

viewing the full picture, we can see that an investment in one sector can yield returns in the others.

By working with our clients and helping them choose the right container-board material, we have been able to increase the speed of corrugation and packing while at the same time decreasing energy use. We have helped reduce carbon footprints by the tonne and significantly lowered the box weight while maintaining the same high level of performance.

Simply put, examining the total cost of packaging pays off.

How to cut costs without losing value



1. Optimise

How you can get the best performance from your packaging? A strong material base provides you with the advantages of lower weight and less material used for the same packaging functionality. This can lower the cost of the box design, and at the same time, reduce transportation and warehousing costs.

2. Streamline

How can you simplify your buying processes and improve wholesale costs? If you have a host of different products, reduce the variety of materials and designs you use better manage and streamline SKUs.

3. Downsize

Are you paying for more than you use? Overspecification is a common and costly mistake – with the box performing above your actual needs. Analyse your requirements at each step of the packaging life cycle and compare this with material and box performance. Don't forget to include your inserts and wrappings, which are often overcomplicated and expensive.

4. Maximise

How can you better utilise the amount you are already paying for at each step of the packaging life cycle, from material choice to recycling? One of the more important steps is to make sure your material provider or box supplier helps you use the entire width of the reel, so that there is minimal container-board waste.

5. Save time

Where are your "time bandits" and unexpected delivery problems? With high-quality, consistent materials, machines will run more smoothly and there will be less risk of production

stops. The packing phase can also be time-critical, regardless of whether the process is partly manual or fully automatic. Make sure the material and design of the packaging is optimised for easy raising and sealing.

6. Reduce waste & claims

How can you best protect the product all the way from packing to repacking, right through to display and the hands of the customer? Looking at traditional containerboard and cardboard performance measurements like a short span compression test, edge crush and stackability is always important. You might want to include factors like flatness, printability and grease resistance. An attractive package often increases the perceived value. The higher perceived value increase customer satisfaction and decrease the risk of claims.

Stora Enso is a packaging expert, supplying virgin and recycled containerboard. We believe that buying quality material can help cut costs on the way to the shelf – and add unexpected value.

Discuss your pain points, needs and wishes with your material provider and corrugator to find what's right for you and your unique product.

About us

Stora Enso is a leading provider of renewable solutions in packaging. Our aim is to replace fossil-based materials by innovating and developing new products and services based on wood and other renewable materials. The 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 retail customers, helping to optimise performance, reduce total costs and enhance sales.

Learn more about what packaging can do for your business at storaenso-pack.com

Printed material LumiSilk 250 g/m2.

ViewPoint



The future of packaging: Insights and reflections from Stora Enso



Unfold all packaging costs

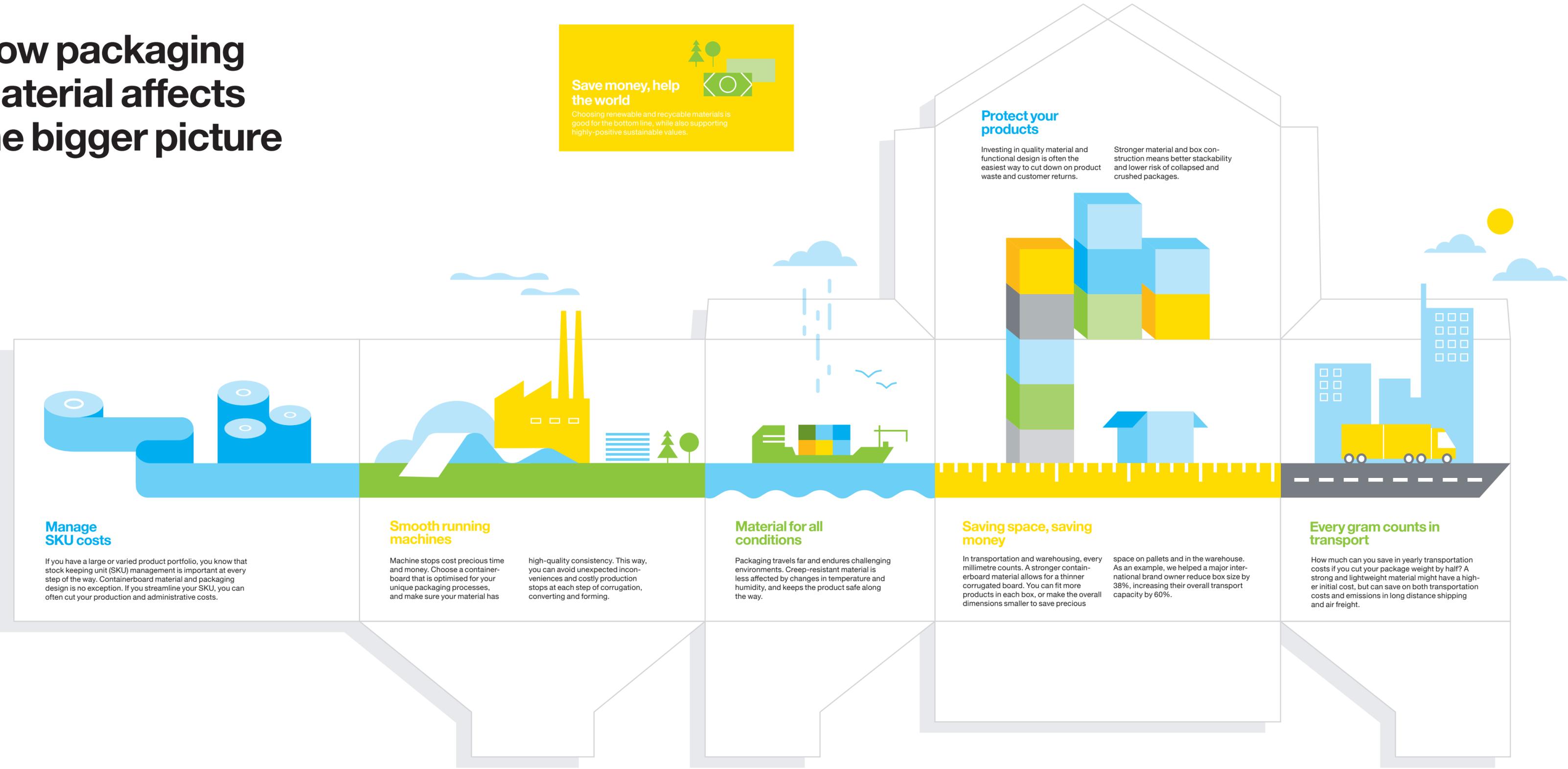
Take a look inside to see how a 360° approach to packaging materials and packaging can optimise costs.

* Stora Enso Viewpoint: Future for Fresh Produced packaging ** Stora Enso Viewpoint: Future packaging for E-commerce *** Stora Enso Viewpoint: Future packaging for Millennials

How packaging material affects the bigger picture

Save money, help the world

Choosing renewable and recyclable materials is good for the bottom line, while also supporting highly-positive sustainable values.

Manage SKU costs

If you have a large or varied product portfolio, you know that stock keeping unit (SKU) management is important at every step of the way. Containerboard material and packaging design is no exception. If you streamline your SKU, you can often cut your production and administrative costs.

Smooth running machines

Machine stops cost precious time and money. Choose a containerboard that is optimised for your unique packaging processes, and make sure your material has high-quality consistency. This way, you can avoid unexpected inconveniences and costly production stops at each step of corrugation, converting and forming.

Material for all conditions

Packaging travels far and endures challenging environments. Creep-resistant material is less affected by changes in temperature and humidity, and keeps the product safe along the way.

Saving space, saving money

In transportation and warehousing, every millimetre counts. A stronger containerboard material allows for a thinner corrugated board. You can fit more products in each box, or make the overall dimensions smaller to save precious space on pallets and in the warehouse. As an example, we helped a major international brand owner reduce box size by 38%, increasing their overall transport capacity by 60%.

Every gram counts in transport

How much can you save in yearly transportation costs if you cut your package weight by half? A strong and lightweight material might have a higher initial cost, but can save on both transportation costs and emissions in long distance shipping and air freight.

Protect your products

Investing in quality material and functional design is often the easiest way to cut down on product waste and customer returns. Stronger material and box construction means better stackability and lower risk of collapsed and crushed packages.