

# Time to rethink strategy for customized e-commerce packaging?



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**T**he whole notion of e-commerce retailing continues to give many consumer product companies fits. On the one hand, online sales continue to surge. The U.S. Department of Commerce reports that e-commerce retail sales in the first quarter of 2016, adjusted for seasonal variation, were \$92.8 billion, up 15% from the same period a year earlier, and accounted for 7.8% of total retail sales. By contrast, total retail sales increased just 2.2% year over

year. Yet on the other hand, IoPP continues to hear anecdotally about the ongoing struggles CPG companies are having in getting their products sold over the Internet to their customers in a reasonable amount of time and in a good state of repair.

(*Packaging World* is reporting on e-commerce and its impact on packaging in an excellent series of articles; see page 52 in this issue.)

The struggle many consumer product companies face is how to develop a meaningful e-commerce strategy that not only satisfies their customers, but also brings results to the company's bottom line. Perhaps product protection is one area that needs to be brought into focus as a place for meaningful strategy, rather than paying so much attention to consumer product choice. Why? Some recent surveying by Shorr Packaging lends valuable insight.

- 80% of customers say protection is the most important aspect of packaging in general.
- Yet, just 11% are completely satisfied with e-commerce packaging today.
- And finally, without appropriate protective packaging, one in 10 packages will arrive damaged.

That's 10%! No company would find a 10% damage rate acceptable. It gets worse, according to the research. Three in five consumers say their relationship with a retailer would be negatively affected if they received a broken or damaged product ordered online. Two in five say they would consider purchasing from a competitor before purchasing from that particular retailer again. And one in five say they would never use that retailer again.

Sobering news, indeed, for any company that wants to be a real player in the e-commerce world.

What to do? Custom packaging (and even custom product formulas) has been all the rage in online shopping. But the real progress for product manufacturers may lie in extending the notion of custom packaging beyond branding (which in itself is very important) and also spending time thinking about it in terms of optimal sizing and protection.

Spray bottles offer an excellent example. Leaky packaging is a com-

mon problem with spray-type products shipped through the mail and via carrier services. Some consumer product companies have attempted to curb the problem by taping triggers and putting bottles in bags prior to shipping. But this effort merely contains, rather than prevents leaks. Is there anyone among us who actually enjoys having to deal with a leaky package, or the extra package materials and waste? It's not a good solution, either, for consumer product companies having to absorb losses in replacing damaged products.

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Clorox has taken a meaningful step in the right direction, and its highly successful approach was deservedly rewarded in IoPP's recent AmeriStar Package Awards competition. Clorox created a package bundle with induction-sealed bottles that enable spray cleaners to be shipped without leakage in the e-commerce channel. The new package features bottles sealed with a custom snap-on induction seal cap. Two sealed bottles of Clorox Clean Up or Formula 409 are shipped with a single trigger and instructions for attaching or removing it, along with four SOS sponges. The packaging creates two unique economical multipacks with only one premium trigger in each to reduce waste and balance costs.

Clorox reported to the AmeriStar judges that the new cap has eliminated the leaks and the mess, prevented waste and—for a double bit of good news on the company's bottom line—eliminated the need to replace damaged products.

Consumers likely would opt to continue purchasing cleaning products in sprayer bottles over the Internet knowing they not only will be rewarded for convenience shopping to save time, but also that they can be confident their order will arrive in the condition they expect it.

By rethinking custom packaging as a strategy for optimal packaging, you can save costs and also wow your customers. If solutions such as Clorox's are any indication, e-commerce channel packaging could be an area worth watching for innovative design. **PW**

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