AUTOMATED PACKAGING
FOR A POSITIVE CUSTOMER EXPERIENCE

Sparck
Technologies

Packaging is an important component of the online customer experience, yet many shippers discount this final supply chain step. As the first physical touch point a customer has after purchasing online, packaging often leaves a lasting impression, be it good or bad.

With 2020 e-commerce sales having risen 44% year over year[1], it's no secret that more and more consumers are choosing to purchase items online. This shopping boom comes with an increase in customer expectations as companies compete for their business. While customers enjoy convenient, online ordering and free speedy delivery, many also expect shippers to act responsibly when it comes to packaging. A quick browse through social media will showcase the disappointment customers opening oversized packages with loads of air pillows, bubble wrap and paper. So how do retailers offer the conveniences consumers demand while reducing costs and their carbon footprint? **The answer: automate the packing and shipping process.**

1 https://bit.ly/2QNuXLY

WHAT ARE CUSTOMERS LOOKING FOR?

Right-Sized Packaging

The idea of receiving oversized boxes filled with air — or worse, plastic — has led shoppers to demand guilt and frustration-free packaging from the companies they purchase from. There are hundreds of blog posts, message boards, and news articles lamenting the abundance of 'small items in way-too-big packages.' It is clear that customers have had enough of e-commerce packaging waste. By creating right-sized boxes you can eliminate the distress your customers experience over wasteful packaging practices.

Shipping Options

Today's shoppers expect their online orders to arrive quickly and cheaply as they have become accustomed to having a variety of shipping options like same-day and two-day shipping. With the competition always just a few clicks away, companies can't afford to fall behind and disappoint buyers who have embraced fast and free delivery as a necessary part of the shopping experience. That leaves shippers bearing the costs to keep customers happy, which is why finding innovative ways to save on shipping and transportation costs, dimensional weight (DIM) charges and reducing parcel volume is essential.
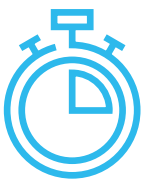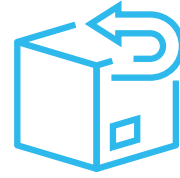
43%
of shoppers abandon their carts if the shipping charges are too high.[2]

59%
of shoppers expect same-day delivery.[3]

2 https://bit.ly/3gA73yg   **3** https://bit.ly/3aAd9uZ

46%

of customers were deterred from shopping with a retailer after having a negative return experience with them in the past.[6]

Reliable and Returnable

Customers assume the shipping packaging will protect their purchases. This expectation is even more pronounced when reusing the package for returns. Boxes need to open easily enough to prevent being destroyed while being reliable enough to be reused. One-third of online orders are returned, which means e-commerce retailers must consider that parcels and the products inside might need to make a round trip and return without damage.[4] As for the two-thirds that don't return their packages, they expect a parcel that is undamanged, fit-to-size and easy to recycle. This balance of reusability and recyclability is an important one to get right because 80% of buyers will shop somewhere else if they have had a negative experience.[5]

50%

of consumers noted that their biggest frustration with e-commerce was related to the ease of, and access to, disposal of packaging.[7]

Environmentally Friendly

Customers want to feel their personal values reflected in the companies and products they purchase from, and protecting the environment continues to be a top priority. This also applies when customers unbox their order, since packaging is the most outward testament of a brand and what is stands for. Retailers using less corrugate and void fill materials are viewed as eco-friendly, appealing to customers who prefer brands that are "green" and socially responsible.

77%

of consumers note that the packaging a company uses for e-commerce was viewed as being reflective of its environmental values.[7]

4 https://bit.ly/3erUClt   **5** https://bit.ly/32Hs5CX   **6** https://bit.ly/3dIvt74   **7** https://bit.ly/2PlyUaq

Brand Recognition

With an increase in online shopping, there are fewer opportunities to connect and engage with customers in person, at a time when shoppers want more interaction with you. This is why packaging is so much more than just the container that transports your product; it's the touchpoint customers associate with a brand and valuable advertising real estate. Your box can either boost brand loyalty and visibility or fail to meet expectations which can quickly diminish the perceived value of your brand.

40%
of consumers will share an image of your packaging on social media if it is unique or branded.[8]

A Memorable Experience

All of these concepts come together to form the "unboxing" experience. Unboxing is now part of the customer experience and is even becoming part of our social media world with millions of unboxing videos shared online. Finding the right balance between building suspense for that wow-factor reveal and keeping up with other customer expectations is crucial. For example, wasteful void fill materials like air pillows pose an ecological hazard and leave a negative impression for every customer that has to swim through the excess to get to their products. Every part of the shopping experience, from purchase to unboxing, is an opportunity to convert a one-time sale into a life-long customer.
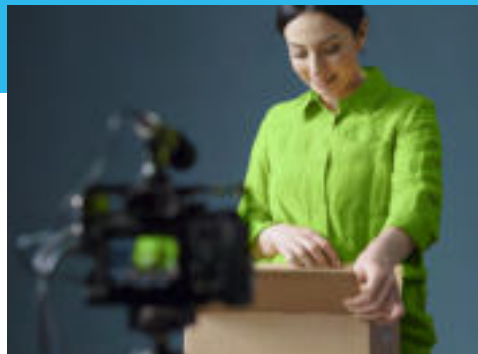
55%
of those who watch unboxing videos claim the video convinced them to purchase the product.[8]

There are at least
74 Million
unboxing videos across various social media channels.[9]

8 https://bit.ly/3xfH7y5   **9** https://nyti.ms/3xdzIz4

THE BENEFITS
OF RIGHT-SIZED AUTOMATED PACKAGING

Before auto-boxing

After auto-boxing

Using a CVP Automated Packaging Solution ensures every order is packed in the smallest parcel needed for an eco-friendly impression, the lowest possible shipping cost, and several options for a branded experience.

Fully integrated inline automated packing systems can create a right-sized box in just seconds by measuring, constructing, sealing, weighing and labeling each variable dimension, single- or multi-item order of hard and soft goods. Our CVP Impack Automated Packaging Solution packs up to 500 parcels per hour with one or two operators, while the CVP Everest auto-boxes up to 1,100 parcels per hour with two operators.

Cost Effective

Under pressure to do more with less while maintaining high levels of productivity, shippers today must work smarter and faster in a cost-effective way. By creating the perfect package for every order, the CVP Automated Packaging Solutions provide immediate, positive impacts on efficiencies and your bottom line. A fully automated packaging solution will alleviate your capacity constraints while saving you valuable labor, shipping and material costs.

Labor An automated packaging system like the CVP Impack or CVP Everest can significantly reduce labor costs, all with a smaller footprint. With only one or two operators required, you can replace an average of 8 to 20 packing stations, saving an average of 88% in packing labor and creating time for higher value work. This means a labor reduction of staff, supervision, recruitment, training and human resources costs– all while generating higher throughput speeds and greater accuracy. In addition, the CVP will scale during peak periods and with business growth, ensuring consistent throughput 24/7.

Shipping Charges The average shipped box is 60% air. Because some carriers use the DIM weight of parcels instead of the actual weight (when the DIM weight total is higher), large but lightweight parcels incur unnecessarily high shipping costs. To avoid upcharges, shippers can create the smallest package necessary with the CVP Automated Packaging Solutions, reducing box volume by an average of 50% and freight costs by an average of 32%.

Material Costs Most businesses inventory numerous shipping box sizes, and hopefully the packer selects the smallest box for the contents. That means void fill materials and airspace essentially add up to lost dollars. Right-sized auto-boxing eliminates the need to store multiple sizes of corrugate boxes and dunnage materials for void fill. By switching from stock boxes to fan-fold cardboard, you can reduce corrugate material usage by an average of 29% and reduce material costs by an average of 38%.
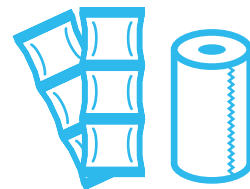
88%
average savings in packing labor.
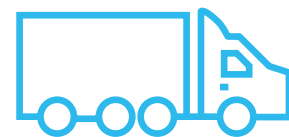
32%
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38%
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Sustainable Packaging

Socially responsible processes are not only good for the planet and the people who live here, they are also good for building positive brand awareness, minimizing environmental impact and improving long-term profitability. Order packaging with an eco-conscious claim shows that the company is making a tangible investment in greener solutions. Customers will enjoy these fit-to-size parcels as this type of packaging has been found to protect orders while in transit. In addition to exceeding the customer's expectations, the custom-fit parcel requires no void fill materials, reduces overall shipping and transportation costs, lowers your CO_2 emissions, and is easy to reuse or recycle, improving your bottom line and customer experience.

Brand Your Box

First impressions are important. Just as brick-and-mortar stores focus on cleanliness and organization, high-volume fulfillment and e-commerce companies want to impress customers with reliable and appealing branded packaging. The CVP Automated Packaging Solutions can accommodate 3 different fanfold corrugate widths to minimize waste along with 3 different opportunities to brand your packaging. The CVP doesn't just offer a variety of sizes to attach one's brand identity to, but also the ability to choose the correct brand for each individual order. That means you can service 3 different brands all with one machine, turning every box into a brand ambassador.

OPTIMIZE THE
CUSTOMER EXPERIENCE

By 'right-sizing' your packaging, shippers can show customers that they're capable of providing the expected consumer conveniences without sacrificing productivity and your bottom line. This is achieved by making sure customers receive a fit-to-size, recyclable and reusable package that is on-time and undamaged. Ultimately, right-sized packaging solutions ensure optimal labor, material, transportation and shipping savings are reached, especially during peak periods, all while improving your carbon footprint.

The financial benefits of using automated packaging systems can't be understated, although depending on your current process, technologies, throughput levels or other variables, your return on investment will be special to your business. In general, companies using our machines see anywhere from 20% to 50% savings in volume, which translates directly into material and transportation cost savings. They also see significant reductions in labor costs. These savings only scale upward as order volumes increase, and usually produce target ROIs within 16 to 24 months. The more volume you're dealing with, the bigger the savings and the faster the ROI.

If you are looking to increase efficiencies and improve the customer experience, contact us to see how a CVP Automated Packaging Solution can meet your increasing demands.
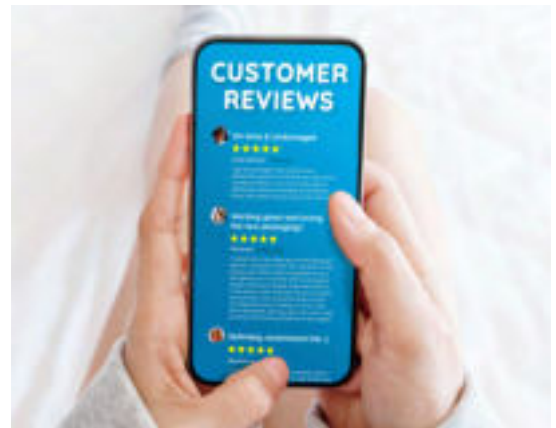
CVP Impack
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