



7 Secrets of packaging success

Discover how your brand packaging can help you win as you grow

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Summary



Brands face intense competition and continue to see emerging challenges as premium, own brand and niche businesses increase activity.

With products flooding the shelves, both virtual and retail, and channels fragmenting, it has never been more important to stand out to attract and retain customers and to consider all facets of the marketing mix and the packaging supply chain.

Introduction

Packaging success 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 logistics and the challenge of delivering an item in perfect condition every time. It's about increasing sales, aligning with retailers 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 Food and Drink 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 brand that sent them a poorly packaged product.¹

Successful packaging comes from an appreciation of not only the ultimate customer usage experience but every step along the supply chain, design, print, fulfilment and delivery or on shelf presence. This guide explores the 7 secrets to packaging success when building or scaling a brand to ensure that your brand packaging works for your business every step of the way from manufacture to consumer.

Research shows that more than a quarter (26%) of customers would not order again from a retailer that sent them a poorly packaged product.¹



¹Transforming e-commerce, DS Smith

1

Know your route to market

Taking time to think about how your products will be sold will be time well spent.

The packaging required for e-commerce trading is very different than for retail. It's also important to consider that where you start might not be where your business ends up, so it's vital to project forward to make the right decisions at the start to make sure your packaging is as omnichannel as you want your business to be.

With e-commerce you need to consider how choices in packaging design affect the cost of delivery, the protection of your product through the e-commerce supply chain and the number of sizes of boxes you will need if the shopper orders 1, 2 or 3 products. Sending out small products in big boxes means you will be shipping – and paying for – air!

If you succeed in securing retail distribution you need primary and secondary packaging that complies with each retailers' guidelines, and they can differ greatly, to make sure your product will switch seamlessly and move through the retailers supply chain. Then, when it eventually reaches the shelf, it needs to merchandise consistently and stand out from the competition to successfully compete for the shopper's attention.

So, by being clear about your brand ambition from the start you can make solid decisions that avoids both wasted packaging and wasted time as the business grows, pivots and scales.



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Safe and snug



The e-commerce journey is long - with complex distribution methods and up to fifty unconventional touchpoints across the supply chain.

Compare that with a bricks-and-mortar supply chain, which has an average of just five touchpoints!

But whichever route your product goes the packaging needs to perform to cut down your shrinkage and poor customer experience.

Damaged packaging and product reflect 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 well-designed packaging doesn't need to cost the earth.

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. Also 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 again and again.

With clever design, robust testing and use of the most appropriate materials to optimise strength without adding weight, all products can better survive the multipoint e-commerce journey intact. Which makes good business sense by eliminating disappointed customers, reducing returns and demands on your customer service team.



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It's important to appreciate omnichannel packaging requirements. This is 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.

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Rachida Dahmani

Key Account Manager e-commerce at DS Smith Packaging

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Stand out on shelf



If retail is where your business is at, impact on-shelf plays a major role in driving sales.

No matter how successful your marketing has been at raising your brands awareness in shopper minds, it is at the instore shelf where the moment of truth happens, or doesn't.

Research confirms that over 70% of purchase decisions are made after your customers enter the store.² Yet despite this, shoppers only look at a fraction of the products on display.

Attention spans are short - on average less than two seconds³ - and over a third of customers will buy an alternative brand if they can't easily see the product they're looking for on the shelf.⁴

So, what should decision-makers in the marketing team consider when designing packaging to maximise the opportunity available and drive shopper connection?

Typically, brands focus overwhelmingly on the primary product packaging to bring their brand to life and convey their products benefits and communicate brand messaging. But if your message, information, or graphics are obscured by the on-shelf packaging, a major opportunity is lost.

That's not to say that shelf ready packaging, also known as SRPs, should be avoided, in fact quite the opposite. The right SRP can have a positive impact along with good point of sale (POS).



Packaging in-store has less than two seconds to capture a shopper's attention.



A well-designed SRP enables products to be delivered to retailers in a ready-to-sell merchandised unit, which can be easily placed on shelf, without the need for unpacking or repacking, and can aid shelf replenishment speed and improve in-store sales.

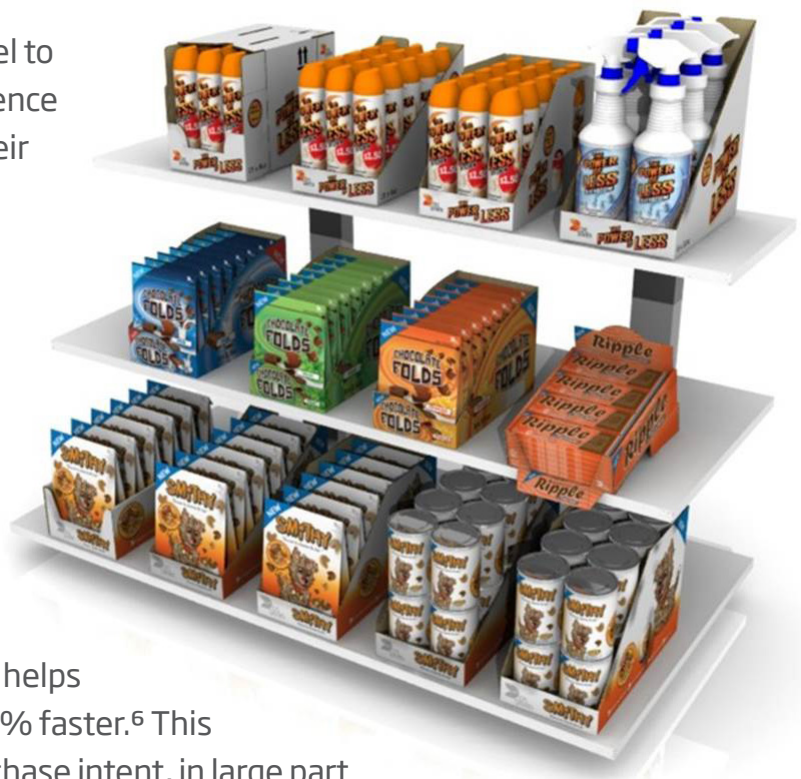
An SRP is also the first point of interaction for shoppers instore and provides the perfect platform for brands to communicate their story and key information to consumers, not least by using visual cues and brand blocking through use of colour that align to the primary pack and ensure consistent branding and messaging across all communication touch points.

Similarly, point of sales displays (POS), filled with SRP or consumer packs, play a crucial role in attracting the attention of discerning shoppers. According to TKM's, 82% of marketers rank POS as the most relevant and influential factor in the lead up to a shopper purchasing goods.⁵

SRPs are increasingly developed by channel to meet the needs of supermarkets, convenience stores, discounters, cash and carry, and their respective shoppers and supply chains.

Effective shelf packaging can drive sales by matching sales space and optimising product visibility and availability, while also encouraging efficiencies in distribution and logistics, resulting in supply chain time and cost savings.

DS Smith research using eye tracker technology found that on-shelf packaging helps shoppers find what they are looking for 10% faster.⁶ This can lift brand awareness and increase purchase intent, in large part because eye fixations on the branded display increase.



²<https://sites.insead.edu/facultyresearch/research/doc.cfm?did=2691>

³IGD explorer research

⁴Covid-19 – 10 implications for the retail marketing industry and ways forward (DS Smith Retail Marketing/ GlobalWebIndex)

⁵<http://www.creo-pos.com/creo-2017-pos-survey/>

⁶<https://www.dssmith.com/uk/packaging/about/media/news-press-releases/2013/11/ds-smithpackaging-trials-eye-tracking-technology-withshoppers>

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Pack to impress

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.

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.



Returns are a key issue for many 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 through packaging design is an easy win for customer and brand alike. Also, damage-free returns can help the retailer resell the product, so choose packaging that can be reused or widely recycled.

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Retail is detail

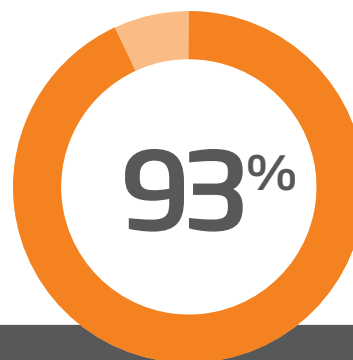
According to IGD 93% of food and consumer goods sales globally will remain through physical stores.⁸

So being in retail is still relevant and necessary to scale a brand and business for success.

Many brands think getting a retail buyer to list your brand is the difficult bit, when it is driving sales once listed where the hard work lies.

This is where you must learn to understand retail marketing and the power of point of sale, often referred to as POS, activation.

Effective POS allows you to make immediate impact with shoppers and grab attention, convey your products features and benefits when shoppers have the product in their hand and away from the busyness and competition of the main category retail shelf.



global food and consumer goods sales will remain through physical retail channels in 2030.

According to a survey conducted by Mood Media, 82% of consumers say that seeing, holding or demoing a product in-person makes them more likely to buy it⁹; POS behaves like a beacon to drive this interaction with shoppers.



⁸IGD store of the future 2030

⁹Mood Media UK - Music and Digital Signage for Businesses

Getting POS right takes knowledge and skill to effectively drive product sales volume to provide a healthy return on investment and drive market share.

There are ways that brands can use POS displays in-store to attract and convert shoppers over and above the primary pack, such as:

1. Highlighting the value proposition of the products, such as quality, features, benefits, or customer reviews and comparing them to the low-cost or high-value alternatives. For example, a POS display for a mid-priced shampoo could emphasise its natural ingredients, its effectiveness for different hair types, and its positive feedback from customers.



2. Creating a sense of urgency or scarcity for the products, such as by using limited time offers, discounts, coupons, or loyalty rewards. This can help shoppers to feel that they are getting a good deal and that they need to act fast before they miss out. POS displays can host offers; coupons or free accessories for every purchase, or a chance to win to convert a sale.



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Good for the planet good for business



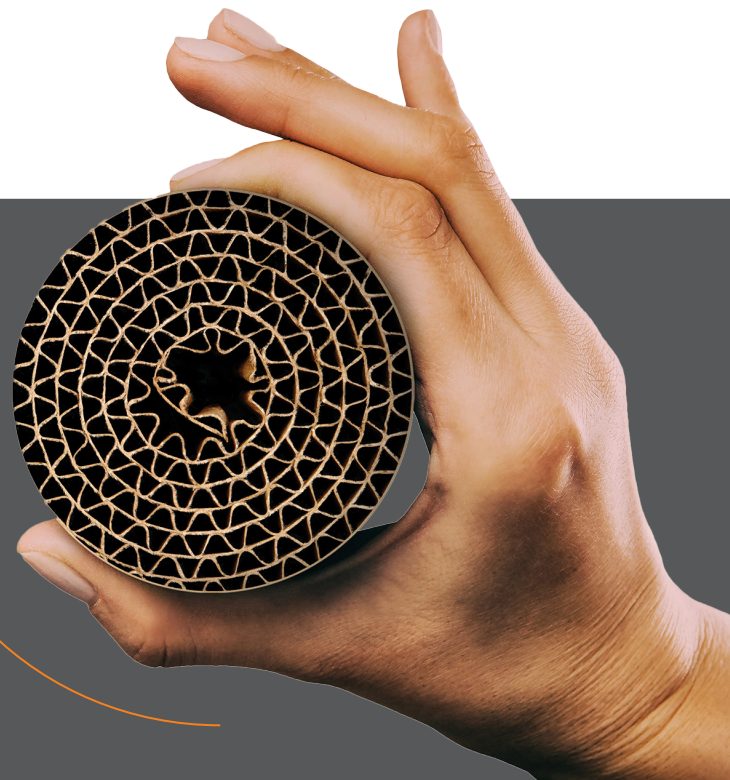
UK households are throwing away, on average, 60 pieces of plastic packaging per household weekly, an estimated 1.7 billion pieces of plastic nationally weekly, equating to 90 billion pieces of plastic packaging being thrown away annually.¹⁰

The Circular Economy is the alternative to the take, make and discard mindset. It is based on the principles of designing out waste and pollution, keeping materials in use for longer, and regenerating natural systems to create a more sustainable, beautiful world. It's about creating an economy that works in harmony with our natural world.

By designing your packaging to be circular you can open the gateway to your business becoming circular, achieving environmental goals and meeting customer and retailer demands for more sustainable packaging.

The research is clear on what the UK shoppers want - 62% of UK consumers try to buy environmentally friendly packaging¹¹ and 1 in 4 UK consumers would stop ordering from a brand due to overpackaging.¹²

**The Circular
Economy is
the alternative
to the take,
make and
discard mindset.**



¹⁰UK's largest plastic waste survey reveals 1.7 billion pieces of plastic packaging still being thrown away by households weekly | University of Portsmouth

¹¹Research shows consumers want better plastic packaging choices (preventedoceanplastic.com)

¹²1 in 4 UK consumers would stop ordering from a brand due to overpackaging, DS Smith survey finds - DS Smith

So, how can you rethink your packaging now to make a difference for the next generation? There are four steps to follow:

1. Optimise your packaging

Review the materials you currently use then stand back and look at the whole business and supply chain to look for ways to design smarter, optimise product protection, use just enough material and design out waste and fresh air.



2. Choose 100% recyclable

Fibre is a fantastic material that can be recycled time and time again. Cardboard is recyclable and already widely recycled, plus consumers know exactly what to do with it when it's finished with. There is no waste and used fibre packaging comes back as new paper products.

3. Replace the plastic

Even small changes like replacing the plastic sealing tape or plastic labels can make a massive environmental difference. Removing single use plastic will make your packaging more recyclable and delight customers. Innovative solutions already exist and more are being created all the time, just be brave and relentless to eliminate the single use plastic.



4. Measure and monitor progress

By setting good standards and measuring your packaging against them you can check your progress. Look to check your packaging and supply chain for its level of optimization, recyclability, material utilisation, use of renewable resources, level of recycled content, ability to be reused, carbon footprint and whether your choices are 'planet safe'.

7 Pick the right trusted partner

When your business is growing and scaling you need a trusted partner that can help you reach your business goals in an agile way.

One that will help you make the right choices and avoid costly mistakes because they are experts in their field and bring an entrepreneurial mindset to help you deliver long term success.

At DS Smith we're 100% dedicated to helping brands find innovative solutions and defining the right packaging for a changing world. Our ethos is to work with every customer to resolve their packaging challenges.

We work tirelessly to find solutions for their 'single use' and 'hard to recycle' packaging and we design packaging that delivers the quality and performance you need, but without wasting unnecessary resources.

Impact Centres

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



Working together we can help you stand out from your competition and win over your target consumers and help your brand succeed.

- By understanding your business and your supply chain we design the right packaging or retail marketing solution for your needs.
- Our **700 designers** use **Circular Design Principles** to design out waste and pollution and to keep materials in use, so the packaging or POS display is recycled or reused many times.

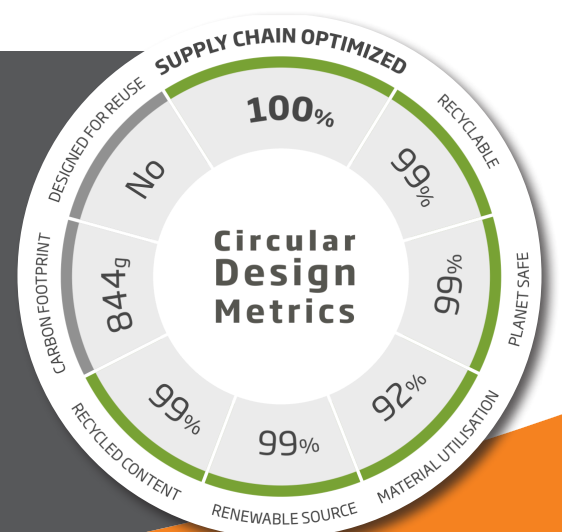


- We protect your products with packaging or displays designed for your unique needs and using as little material as needed.
- Your customised solutions are optimized for the entire supply cycle through all its touch points, few or many.
- By only using the amount of fibre that is necessary to create packaging or displays there will be less material used and less waste to be recycled.
- Smarter packaging means a lower CO₂ footprint across your supply chain and boosts your environmental performance.
- The efficient packaging designs create savings through the entire supply chain, quality assurance for your brand and a better customer experience.

Circular Design Metrics™

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

Every customer and every business is different so we adapt the agenda and focus to your unique needs.



Summary

Brand building is not easy, intense competition, challenging market conditions, the need to be agile in your business model and make commercially savvy decisions at speed means that it has never been more important to work with trusted partners that are invested in your success.

Packaging can be a key factor in the success of your brand if you take note of the **7 secrets to success**:

1. Know your route to market

Plan for long term success and choose the right packaging for all the channels you will use to the end consumer.

2. Safe and snug

Test your packaging to make sure it is fit for purpose to make sure it enhances rather than detracts from your brand reputation.

3. Stand out on shelf

Instore, it is at the shelf that the moment of truth happens, design all elements to make sure your product stands out and is merchandised well.

4. Pack to impress

First impressions count, the unboxing experience is a great opportunity to connect with customers and create a WOW experience.



Summary



5. Retail is detail

Effective POS activation allows you to make immediate impact, convey brand benefits, win over new customers and drive sales.

6. Good for the planet, good for business

By designing packaging to be circular you can open the gateway to your business becoming circular, achieving environmental goals and meeting customer and retailer demands for more sustainable packaging.

7. Pick the right trusted partner

When you need to be agile and get it right, picking an expert supplier can prevent costly mistakes and help you achieve your business goals faster.

To find out more about how DS Smith can support your packaging and retail marketing needs please contact us at dssmith.com/uk

