

BROWN BOXES DON'T DELIVER FOR BRANDS

EXECUTIVE SUMMARY

Dotcom Distribution's 2013 eCommerce Packaging Survey findings show that premium packaging – which consists of unique, gift-like branded boxes or bags – benefits retailers in areas including customer loyalty, marketing and advertising. When premium packaging is executed strategically, it can yield positive results in terms of public awareness of a brand.

Research shows that nine in 10 consumers have re-used a retailer's branded box or bag after a purchase. This re-use occurs for several reasons, but no matter why the consumer is using it, the retailer is reaping the marketing benefits of their branded actions.

BRANDED PACKAGING IS A MARKETING TOOL

Three in 10 consumers (35%) have discovered a new brand after seeing a customer carrying the retailer's packaging in public. Retailers that take a strong interest in their packaging could expect to see a 30 percent increase in consumer interest in their brand.

Branded packaging is important no matter the avenue a consumer takes to purchase a product. Online orders need to be packaged with care and consideration as nearly 40 percent of consumers would share a picture of an online order on social media if it came in a unique, branded or gift-like box. Eighty-three percent of those consumers that would share a picture of an attractively packaged online order would do so on Facebook. Retailers can take advantage of these consumer behaviors and gain increased awareness of their brand via social media by shifting their budget in the favor of premium packaging.

PREMIUM PACKAGING ENCOURAGES CUSTOMER LOYALTY

The 2013 eCommerce Packaging Survey results show strong opportunities for customer loyalty development with **52 percent of consumers likely to make repeat purchases from an online retailer that delivers orders in premium packaging.** In fact, half of customers expect online orders to arrive in premium packaging if that same retailer provides branded packaging in-store. According to Dotcom, premium packaging is a valuable opportunity to provide online customers with a unique brand experience.

“Online retailers should not overlook the importance of premium packaging for their eCommerce products,” said Maria Haggerty, president of Dotcom Distribution. “Customers look for the ‘WOW’ factor when shopping online and when receiving a package, as they miss out on the in-store experience. Premium packaging for online purchases delivers a brand’s in-store experience to an eCommerce customer.”

SOCIAL MEDIA OPPORTUNITIES EXIST FOR RETAILERS UTILIZING PREMIUM PACKAGING

Fulfillment marketing opportunities for online retailers begin when the customer receives and opens a package. Dotcom found that nearly four in 10 consumers would share a picture of an online order via social media if it came in a unique, branded or gift-like box, and 83 percent of those consumers would do so on Facebook.

There is an especially high amount of 18-25 year olds that are actively sharing packaging on social media. Seventy-four percent are likely to share a product on social media, with 88 percent of those customers posting to Facebook. Brands that target the young-adult market would especially benefit via social media from branded packaging.

“The value of premium packaging extends far beyond the customer experience into residual marketing effects,” said Haggerty. “The experience goes beyond the online order to when the customer actually opens the beautifully wrapped package and shares that experience with their social networks. That act of online and social recommendations drives loyalty from your customers and promotes brand awareness.”

IN THE LAP LINE OF LUXURY

Half (51%) of consumers expect premium packaging in the mail when ordering from a retailer that provides premium packaging in-store. As more retailers are realizing the value in a multi-channel experience, it is also important to note that a customer experience is seamless across each channel. The same level of service, value and packaging is expected no matter the channel the customer is shopping through.

Seventy-one percent of consumers also expect higher quality packaging when ordering expensive products online. Just because a customer isn't face-to-face with a brand representative doesn't mean they should not receive the same level of service and pampering they would receive in the store. The quality of the packaging should match the quality of the product the consumer is purchasing.

More specifically, 53 percent of consumers think premium packaging is important in the jewelry industry. A popular gift choice, and an item associated with luxury and indulgence, consumers expect jewelry to be delivered with extravagance. Results also showed that **premium packaging is more important to males when making a jewelry purchase.** Retailers in this industry need to take note of their market and adjust to ensure the satisfaction of the customers, which can lead to repeat purchases.

GREEN IS THE NEW BLACK

As retailers choose their branded premium packaging, the sustainability of their selection should also be taken into consideration. **Sixty percent of consumers think it is important or very important that a retailer's packaging is sustainable.** While price and sustainability are not typically equal considerations in packaging selection, retailers who make sustainability a priority are perceived as environmentally friendly, and customers also enjoy being viewed as environmentally conscious in their purchasing decisions.

Sustainability is also a driver in the customer's decision to re-use a branded retail bag or box. Eighty-four percent of consumers re-use branded packaging in order to cut down on waste. Sustainable packaging not only strengthens the customer's reason for re-use, but also demonstrates that the brand cares about the environment as well.

"It's clear that a retailer's packaging choice can have repercussions," said Haggerty. "The results of this study show that packaging is not to be overlooked or underestimated for its possible impact on a brand. In the competitive retail environment, delivering a premium customer experience through packaging will put a brand on top."

MILLENNIALS VS. BABY BOOMERS – WHO PREFERS PREMIUM PACKAGING

An almost equal amount of baby boomers and millennials tend to re-use their retail packaging. This shows retailers that no matter the age of their customer, nice packaging and going the extra mile are appreciated.

One factor that sets millennials apart is their tendency to share on social media. Millennials (74%) are more likely than baby boomers (32%) to share a picture of a product on social media that arrives in a unique, branded or gift-like box. One thing the age groups reveals is that when sharing a photo on social media, both ages are most likely to share that photo on Facebook compared to other social platforms.

Baby boomers are more attracted to gift packaging options than millennials. Sixty-two percent of baby boomers are more inclined to purchase from a website that offers gift-packaging or gift-wrapping options than millennials (56%). Retailers should take note – simply offering gift packaging as options to customers can solidify a customer's purchase.

TAKEAWAYS FROM RETAILERS

Retailers can learn many insights from this report. Key takeaways include:

- **Kill two birds with one stone.** Your customers will appreciate a new purchase the minute it arrives on their doorstep when it's within a beautifully wrapped package. They'll be motivated to re-use and show off that packaging in public and you'll gain new customers because of it.
- **Loyal customers are the best customers.** Go the extra mile by offering premium packaging and your customers will take note – and keep coming back because of it.
- **Socialize your packaging.** Customers are willing – and happy to – share your beautifully wrapped packages on social media. Remind them to do so by including a note in their package that prompts customers to mention your brand when posting on social media accounts such as Facebook and Instagram.
- **Green will never go out of style.** What goes around comes around. Sustainability is appreciated by Mother Earth and your customers. By offering retail packaging that can be reused over and over again, you can increase customer satisfaction while contributing to making the world a greener place.

DOTCOM DISTRIBUTION 2013 ECOMMERCE PACKAGING SURVEY

Data for the Dotcom Distribution 2013 eCommerce Packaging Survey was gathered from a representative sample of US consumers, both males and females ranging in ages from 18-61. A variety of questions regarding packaging re-use and motivations were asked. The resulting findings are the basis for the Dotcom Distribution 2013 eCommerce Packaging Survey.

ABOUT DOTCOM DISTRIBUTION

Dotcom Distribution is one of the premier providers of logistics and fulfillment services to growing retailers & manufacturers. Industry pioneers such as Adore Me, Birchbox, Bliss, Fab, INTERMIX, and vineyard vines trust in Dotcom's boutique feel, enterprise scale and management team to ensure their customers receive the highest quality packaging & delivery, while preserving the brand experience all the way through to the customer's front door. Dotcom's facility enables typical clients to achieve same-day order shipping and an average 1-3 day delivery times via standard ground service to 75% of the US population – all while delivering custom packaging solutions which resell the brand experience at that critical final mile delivery.

For more information about Dotcom Distribution and its logistics and fulfillment services, visit <http://dotcomdistribution.com>.