

# Premium Packaging Enhances the Customer Experience

ECOMMERCE MERCHANTS ARE CREATING A “WOW” FACTOR, WHICH IN TURN LEADS TO BRAND BUZZ AND INCREASED CUSTOMER LOYALTY.

by **Tim Parry**, Multichannel Merchant

**R**etailers put forth a lot of time and effort successfully leading a customer through the conversion process. So why is post-conversion engagement still a vastly underutilized area of retail marketing?

Delighting the customer is particularly important in this era of social media, where customers can immediately express their satisfaction or frustration with friends and friends of friends. And one way in which merchants are reaping the benefits of an enhanced customer experience is by turning the shipment into a presentation.

In these days of fast shipping, customers expect their order to arrive on their front doorstep in a plain brown box with some bubble wrap and a receipt. But by creating a tremendous unboxing experience for the customer, some ecommerce merchants are creating a “wow” factor, which in turn leads to increased customer loyalty.

Speaking this past fall at Fashion Digital New York, Baublebar Vice President of Customer Experience Nina Alexander-Hurst equated the premium packaging her brand uses to ship a package to a shopping bag from a classy boutique. The prettier the packaging, the more excited the customer is to unwrap it when she gets it to her home.

Bonobos looks at packaging as the first tangible experience the customer has with the brand, says Angela

Goldstein, senior manager of operations. Goldstein says Bonobos keeps it simple and clean, but makes sure it has the aesthetic of the brand.

## Upscaling With Packaging

Speaking at Fashion Digital New York, Cynthia Kleinbaum, who at the time was GILT Groupe’s senior director of branding, emphasized that packaging is something that is owned by logistics, not by marketing. GILT had initially taken the approach that it should use the minimal amount of packaging to get the job done, and its boxes were plain brown, with green bubble wrap. Now the recipient gets a black box with a white interior and some messaging on the flaps.

Premium packaging does help improve brand percep-



CONTINUED ON PAGE 2

## FEATURED IN THIS REPORT



Page 2

**Delivering an Award-Winning Package**



Page 3

**Unboxing Experience with Trunk Club**



tion. According to 3PL Dotcom Distribution's 2015 Ecommerce Packaging Study, 61% of online shoppers say premium packaging makes a brand seem more upscale. But that's not all: Premium packaging also creates a memorable experience. The report shows that 49% of online shoppers say that premium packaging gets them more excited about opening a package.

And the benefits of pretty packaging can make

your customer's order – and experience – go viral.

According to the study, 39% of online shoppers have shared a product image or video on social media, and almost a quarter of customers who haven't shared a product image would be more likely to do so as a result of attractive packaging. Sixty-one percent of online shoppers were convinced to buy a product after looking up images and videos on social media.

What's more, unboxing videos have become an internet sensation. One in three online shoppers surveyed by Dotcom Distribution has watched an unboxing video online. And after watching an unboxing video, 55% of online shoppers felt intrigued, while 41% felt excited.

## It Starts With a Box

Ecommerce has become more than just getting a box to a doorstep; it's now about a much more holistic



## Delivering an Award-Winning Package

Multichannel Merchant set out to identify and recognize the leaders in customer experience—the companies that routinely excel at every phase of the ecommerce sales experience.

We turned to third-party logistics provider Innotrac, which routinely places test orders to inform its SmartHub benchmarking tool, for the hard data needed to find the best performers. The result was the first Excellence in Customer Experience Awards, presented at the 2015 Operations Summit.

The Best Packaging category looked at many elements of the package, including internal and external branding, use of the packing slip for marketing and promotional messages, how well the recipient can identify the shipper, and how appropriate the packaging was for the item ordered.

**WHY BATH & BODY WORKS WON:** The Bath & Body Works package is not only functional but also exciting. It takes advantage of every opportunity to give customers the message that their busi-



ness is welcome. It is instantly recognizable and builds customer excitement upon receipt. The box and its contents are marketing tools for the company as well as containers for an order.

The package itself had bright, full-color pictures of product on the outside. It is clear which company has sent the package and it practically begs to be opened. Inside, the packing slip is also well-branded and colorful. The packaging on the candles in the orders provided perfect protection from breakage and reinforced the brand.

**IDEA TO STEAL:** Full-color photos of product on the packaging are an excellent way to build customer anticipation upon receipt and suggest new products for them to try. The box itself is another way to market to customers — and everyone who sees the package along the way.

*Donna Devaul*



Unboxing videos have become an internet sensation: after watching an unboxing video, 55% of online shoppers surveyed by Dotcom Distribution said they felt intrigued, while 41% felt excited. Click the above image to watch this Trunk Club unboxing video by YouTube user virtualsurreality, or go to [bit.ly/unboxingvideo](http://bit.ly/unboxingvideo)

approach to the online shopping experience, writes Liz Harrington, a digital marketing specialist and research analyst with Innotrac, in an article for Multichannel Merchant.

While it is commendable for an order to arrive in good condition, if that package is a simple brown box, the retailer has missed a valuable opportunity to reinforce their bond with the consumer.

And the temptation will always arise to ship shoe boxes and other boxed items in poly bags. Harrington says this should almost always be resisted. While there are examples of retailers designing sturdy shoe boxes ready to withstand the wear and tear of shipment, most shoe boxes were never meant to be handled this way. This practice leads to dented and crumpled boxes which clearly communicate a retailer's lack of care.

Even when a box's size, type and dunnage are appropriate, an improper corrugated burst strength or questionable exterior color choice can still lead to an unappealing delivery experience for the consumer.

A standard box with a burst strength of 200 lbs. is recommended for ecommerce shipping; anything lower than that adds unnecessary risk when balanced with the cost savings, Harrington says. Merchants run a higher risk of the item being torn, creased or even crushed, even under normal handling practices.

One of the best and probably more visible ways to

expand your brand is to add your logo to the package itself. One look at the smile on a box and you know it's an order from Amazon, while one look at the purple box tells you your order from Jet.com has arrived.

And then there's Moosejaw Mountaineering. When a Moosejaw package comes to the door, it's covered with Moosejaw stickers and a personalized signature of the employee who boxed up the order. And in Moosejaw's case, its packages are recycled boxes with stickers stating, "Don't be surprised if you've seen this box before. We recycle."

Bonobos's Goldstein said you can walk down the street, see someone carrying a Bonobos box and you immediately know it's a Bonobos box – whether you're a block away or right next to them. Or in the mailroom, you can easily tell which one is the blue Bonobos box in a sea of brown packages.

Full-color photos of a product on the packaging are an excellent way to build customer anticipation upon receipt and even suggest a new product for them to try. The box itself is another way to market to customers—and everyone who sees the package along the way.

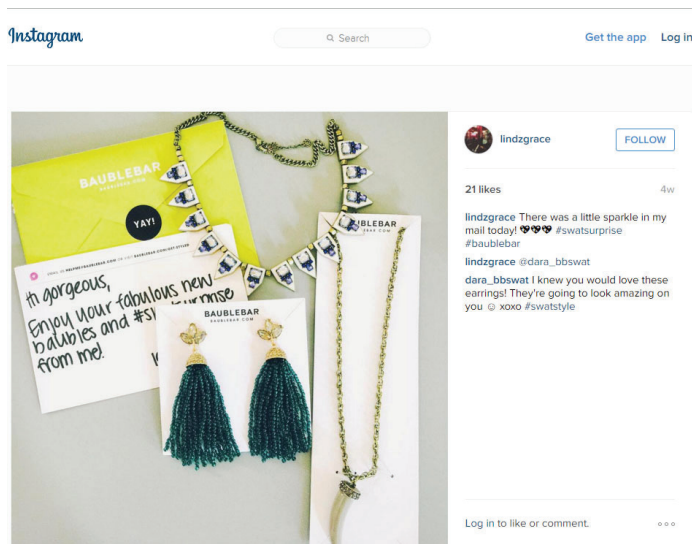
The Bath & Body Works packaging was recognized for being both functional and fun, taking every opportunity to send customers the unmistakable message that their business was welcome. The instantly recognizable packaging is designed to create customer excitement as soon as it arrives. Bath & Body Works leverages both the box and its contents as marketing tools, seeing it as far more than a way to transport product.

## It's What's Inside That Counts

Merchants shouldn't just think about the exterior of the package. Thinking "inside the box" can boost engagement as well. Adding a special little gift with the order, such as including thank you cards, stickers and gift cards, will help personalize the shopping experience for the consumer.

Dotcom Distribution says the way your products are displayed within the box makes a difference when it comes to social sharing. If a product's display lends itself well to a photo, a customer is more likely to share it on visual social media sites. Products should be artfully arranged or nestled inside the box rather than thrown in in any order.





Goldstein says Bonobos doesn't just make sure the order fits nicely in the box, but that it includes a packing slip, a branded sticker and a clean feel.

In addition to tissue paper, Baublebar's Alexander-Hurst said packaging includes a "yeah" sticker, which helps add excitement to the unboxing experience.

Baublebar also wants to make that experience personal. So if a Baublebar SWAT team member is dealing with a customer one-on-one before their order ships, they want to get a handwritten thank-you card in the box.

Alexander-Hurst said Baublebar's SWAT (Service With Accessorizing Talent) team wants to build the relationship with the customer, so one of the SWAT team members puts handwritten notes in the box. So for example, if a SWAT team member helps a bride-to-be pick out seven necklaces for her bridesmaids, they

want there to be an element of surprise and delight. So there will be a handwritten note from the stylist that helped the customer and a little gift in it as well. This means when they open the box, they have a really fun experience, which Baublebar hopes is then shared socially.

Baublebar will also put "swap surprises" in the box if the customer had to return something, or had a bad experience with the brand.

## But At What Cost?

A major deterrent to a custom-branded packaging experience can be the cost associated with it, wrote Richard Lazazzera, an ecommerce entrepreneur and content strategist at Shopify. These costs come in the form of both time and price.

Lazazzera wrote that merchants will need to decide – based on average order size and profit margins – what you can and cannot afford along with which options present the greatest value to your business and most importantly, your customers.

Dotcom Distribution says you can offer your customers stickers, trading cards, temporary tattoos, samples and other branded items that remind your customers of the product and experience during their everyday lives.

# MULTICHANNEL MERCHANT

MULTICHANNEL MERCHANT delivers in-depth analysis of trends and best practices, as well as news, research, tactical/how-to and resource information to help marketing, ecommerce, operations and senior management at companies that sell merchandise through multiple channels and deliver the merchandise to the customer wherever they choose- at home, work, store or other locations.