

Seeking Ways to Improve Ecommerce Packaging Sustainability

By Mike O'Brien, Multichannel Merchant

Consumers today enjoy the convenience, speed and experience of ecommerce, and wonder what life was like before it. They can order just about anything they want or need, on any device, as often as they like and at any time, anticipating that satisfying, reveal moment of opening the package that magically appears on their doorstep.

They also are increasingly green-conscious and concerned about the condition of the environment, including the effects of carbon emissions, oil spills and trash that threatens to overflow landfills. This last category includes ... excessive ecommerce packaging.

So, it seems these two priorities are in conflict, leading to a paradox: Our very desire to get lots of stuff shipped to us fast is contributing to the rapid growth of waste material. And we as consumers are the ones left to deal with all that packaging material, either through recycling – severely impacted by a Chinese pullout from plastics recycling that has killed that market – or disposal.

This is leading both ecommerce shippers and packaging companies to seek solutions that reduce the amount of materials used while still offering adequate protection and maintaining a great customer experience. About 165 billion packages are shipped in the U.S. each year, according to 2018 data from FedEx, UPS and the U.S. Postal Service analyzed by Limeloop, using cardboard that's the rough equivalent of about 1 billion trees. This figure doesn't account for non-paper-based packaging, but does give a sense of scale. Also, industry group



the Fibre Box Association said the use of corrugate has actually decreased since 1995 as shippers have used alternate materials and shrunk box sizes.

Researchers at the University of California at Santa Barbara say about 40% of all plastic produced annually in the U.S. goes to packaging that's used once and discarded, with only 9% of it being recycled. The use of polybags is a growing option as shippers look to save on material and shipping costs.

"We view sustainability in product packaging as a touchpoint for every customer," said Zack Whitacre, senior manager of operations strategy at Bonobos. "If we can create a more sustainable package and educate our customers on how to dispose of it, then we believe we'll both reduce our environmental impact and get credit from our customers for doing so. While it's marginally more expensive to produce, we feel it is worth it."

Kamille Bareil Parenteau, customer experience supervisor for QA and training at Canadian retailer Altitude Sports, said ecommerce shippers can do well by doing good in terms of brand perception among consumers.

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"Customers want to know more about the environmental initiatives behind a business," Parenteau said. "Ecommerce companies that express their environmental initiatives through their packaging take advantage of this only physical customer contact and are more likely to retain them."

Ron Cotterman, vice president of innovation and sustainability for packaging maker Sealed Air Corp., said growing interest in ecommerce packaging sustainability could be traced back 10 years, to when Walmart created goals around it. Awareness has grown along with the rise of ecommerce in the past five years, and in the last 18 months has become much more focused in terms of widespread consumer perception and concern.

"There have been additional sustainability demands on that packaging as consumers receive more materials into their homes," Cotterman said. "There's a strong desire on their part to recover the materials after use."

Cotterman said demand for more sustainability in packaging has become even more pronounced as China restricted imports of most plastics for recycling in 2018, drying up the market. Also, he said, the media has been filled with images of islands of floating plastic in the oceans and on litter-clogged beaches.

"When a country like China shifts its practice, it has a profound impact on global supply chains," he said.

Sustainability initiatives

Whitacre said Bonobos is in the process of defining its sustainability goals, aligning them with parent company Walmart, with the main focus on materials used in its products. Packaging reduction, emissions offsets and office footprint are important as well.

"For us, it's most important to minimize the environmental impact while taking into account consumer preferences," he said. "We look for ways to reduce the amount of packaging we use to offset the incremental expense of necessary packaging components, and use recyclable materials. Brand perception (of the packaging) is always important as well."

Whitacre said Bonobos is looking to improve the sustainability of all aspects of its packaging, but views product protection as the most important feature.

"The branding is important, but we feel we can accommodate sustainability initiatives with intentional design," he said. "For example, we implemented a poly



mailer last year, which uses mostly recycled content. We also do not use tissue paper or stickers in these orders but designed the poly mailers to stand on their own from a brand statement perspective."

Parenteau said Altitude Sports' partner The Business Development Bank of Canada is a B-Corp., meaning it's certified as a company that focuses on balancing profit and purpose, and so provides Altitude with tips on sustainability.

"We also draw inspiration from different sources," she said. "As a master's student in environment management at Université de Sherbrooke, I have access to best practices from many environmental professionals and experts."

Parenteau said Altitude has an environmental roadmap for the year with goals set for every department and a Green Committee that addresses the employees' footprint. "Reviewing our packaging to make it even more eco-friendly is one of our goals this year," she said. "We are also working on making our package transportation more efficient and educating customers about it."

Brian McAllister, global direct-to-consumer operations manager at snowboard and outdoor apparel retailer Burton, said the company has a very strong environmental focus from the top down.

"We've really upped our game in terms of overall sustainability," McAllister said. "Everything we do is centered on reducing our carbon footprint, and ensuring where possible we use the most eco-friendly products, sometimes regardless of cost. We have a deep goal of having 100% of our outerwear Blue Sign approved, and have a full solar array on our building providing 100% of our power needs. We have goals to make sure we're doing we all can as a company."

The sustainability of ecommerce packaging is something Burton is starting to pay more attention to, especially as it looks to grow its direct-to-consumer channel,

McAllister said. It's not easy, as some of its largest snowboards measure 175 centimeters in length. Benchmarking best practices from other ecommerce companies is one way that Burton plans to get there.

"It's a big challenge with many different products, not just the apparel but the equipment," he said. "We're creating many new SKUs of all different shapes and sizes, from youth to larger adult. Trying to pick packaging that stands up to the rigors of the parcel network and provides an experience for our customers is a challenge."

Cotterman said Sealed Air's 2025 Sustainability Pledge states that 100% of its packaging will be recyclable or reusable by that date. "It starts with the consumer in mind," he said. "We are also targeting an average of 50% recycled content across the company, 60% of which is post-consumer. That's important because if you don't use recycled content, you don't create demand for it. And if there's no demand, you don't build a broader recovery infrastructure. Without that, you can't make more things recyclable and reusable."

Other sustainability initiatives at Sealed Air include the use of thinner shrink films, on-demand inflatable cushioning and the inclusion of "how to recycle" labels on its air pillows.

Global innovation and the impact of transportation

Rain Yu Long, Chief Human Resources Officer and general counsel for Chinese ecommerce company JD.com, said in a January 2019 post from the World Economic Forum that tackling and removing excess waste from the delivery process "should form a major part of companies' sustainable consumption goals."

"For example, JD gives customers the option of returning boxes for re-use and recycling, and promotes this through our partner retailers and delivery companies," Long said. "Introducing reusable boxes made from biodegradable materials can also play an important role in cutting waste and making consumption more sustainable. Many companies, including JD, are implementing plans like this already. Even reducing the thickness of the tape used to seal boxes plays its part in sustainable consumption, demonstrating that every little step makes a difference."

Dan Healey, director of sustainability for Sealed Air, argued in a 2018 blog post for Multichannel Merchant

that looking at the recyclability of packaging materials is only one side of the equation. Making packaging with better protective qualities can also help by reducing product damage and thus customer returns, which can average 30% of ecommerce orders.

"Those of us who have expertise in the challenges of the fulfillment journey also have a duty to educate consumers on why certain ecommerce packaging materials are chosen over others," Healey said. "The true sustainability impact doesn't come from whether or not it's made of recycled material or if it can be recycled curbside, but in the ability to eliminate the risk of damage and having that item doubling, tripling or even quadrupling its environmental footprint."

Being recyclable isn't a silver bullet, Healey said. "We aren't going to be able to recycle our way out of the environmental problems that ecommerce packaging creates. Making more products recyclable is a big step, but those solutions should also require less energy to produce, fewer trucks for transport, less fuel for the trucks and more recyclability at end of life."

A company called Terracycle is generating a lot of buzz with Loop, an innovative approach to packaging and sustainability. It has created a circular shopping platform that changes packaging of everyday consumer goods from disposable, single-use items to durable, refillable ones. In this way it is working to reduce waste and offer consumers products they're already buying in premium-quality containers.

In April 2019, Terracycle launched a trial in Paris with French retailer Carrefour, according to Reuters, allowing shoppers to buy orange juice, powder detergent or shampoo in reusable containers. They put down a refundable deposit on Loop's website when ordering products, delivered to their door in reusable glass and metal bottles via a tote bag. Later, Loop retrieves the empties for cleaning and reuse.

Reuters said the Loop initiative was announced in January 2019 at the World Economic Forum in Davos, with more than 25 major CPG companies and retailers signing up to participate. Companies participating in trial programs include Kroger, Walgreens and Proctor &



Gamble. Kroger, for example, will let consumers in New York, New Jersey, Pennsylvania, Maryland and Washington, D.C. try out Loop.

Similarly, startup Limeloop has created a waterproof, reusable mailer for ecommerce orders. On receipt customers can remove their item, fold up the mailer and send it back to the seller using a prepaid label.

Right sizing and reduction

Jorge Izquierdo, vice president of market development for the Association for Packaging and Process Technology (PMMI), said its members, including Sealed Air, are developing technologies and processes like right-sizing of boxes and flexible packaging to address the issue of sustainability. Of course, this also helps shippers offset the new normal of dimensional pricing from the major carriers.

"In terms of unboxing, you often get something delivered to your house, open it and there's a huge box with a lot of void fill material, paper and pillows," Izquierdo said. "One approach is to make sure you're cutting out as much (corrugate) as possible. Instead of having up to 70% of wasted space, you could cut that down to 10% to 15%. Changing the box size depending on the size of the products significantly reduces the amount of packaging material as well as the shipping costs."

Parenteau said Altitude Sports is looking at solutions including reusable packaging to address the sustainability issue.

"As an ecommerce company, we know that we generate a lot of plastic and cardboard," she said. "Recycling is not the ultimate solution and requires effort from the customer. However, a well-built reusable packaging system would bring a reduction in material generated and a better experience for the customer. Ultimately, this will also be beneficial for the business."



Cotterman said the trend of right-sizing packaging is a win for ecommerce companies not only from a sustainability perspective in terms of reducing the amount of materials needed, but also in terms of transportation efficiency and lower shipping costs.

"It's not just the affordability but the availability of labor to staff a fulfillment center, so an increased level of automation is essential," he said. "You use less material and speed up the process. Priority packs or boxes folded to the right size, using sensors and smart equipment, are all part of what automation can help you achieve."

Cotterman said automated packaging equipment can measure the level or size of a product and fold corrugate around it or seal it in a plastic mailer. Machines applying shrink film along a conveyor can also replace the need for boxes.

"We're looking for ways to do that with less manual intervention and much faster," he said. "Instead of having mailers pre-manufactured in our facility, imagine doing it all on demand in a customer's fulfillment center, using rolls of materials sealed and formed into packages and freeing up labor. We're seeing a lot more use of instruments and sensors, and thin materials being shipped vs. inflated void fill (like air pillows), which is a key trend in the industry."

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