

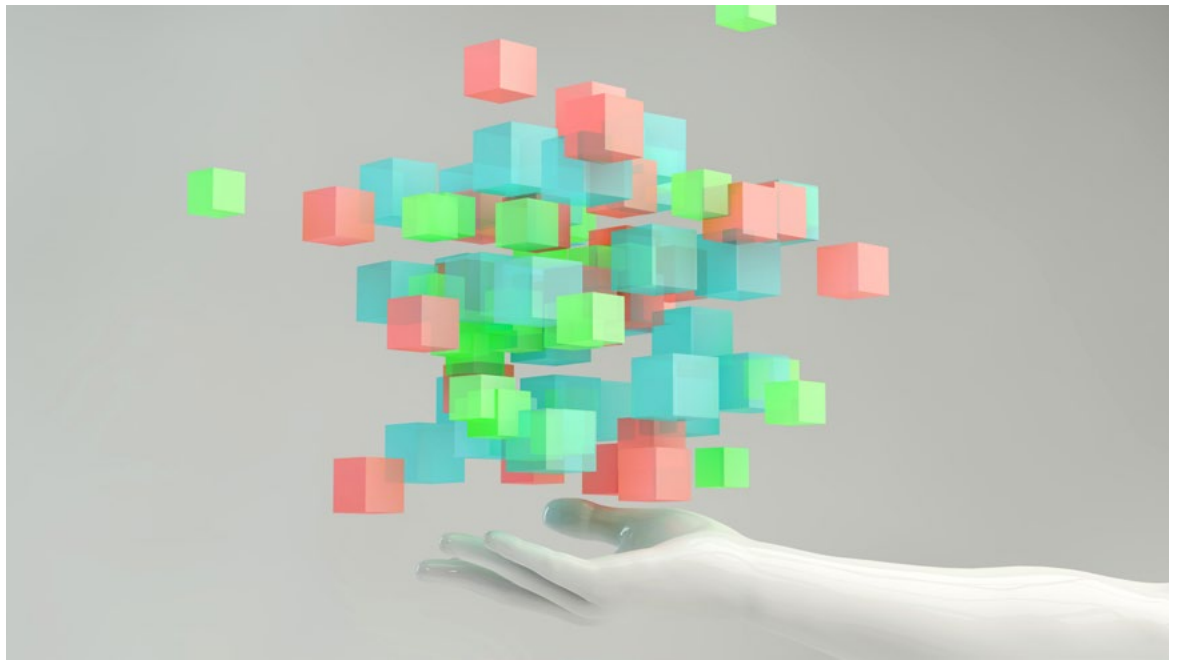
DEEP DIVE:

# How to design packaging for omnichannel retailing



HOLMEN  
IGGESUND

# We live in an omnichannel world where the user experience and brand relationships are everything. At the core of all branding is the packaging.



The Covid-19 pandemic has changed our shopping behaviours, pushing more consumers to shop online. And, while we won't know for certain until after the pandemic has ended, it is quite evident that we will see a major rise in retailers and brands adopting omnichannel strategies.

The pandemic has forced even the most hesitant and technophobic consumers to start buying their products online, and this 'new normal' shift is here to stay. In some ways, it was a change that we always knew would happen, but Covid-19 made it happen faster and with a higher breakthrough. There's nothing like a deadly pandemic to instigate effective change management.

Omnichannel strategies give the consumer a consistent brand and user experience throughout all channels, no matter if it is through the traditional brick and mortar store, the brand's social media account or some casual internet browser shopping. The packaging plays a vital role here. Not only does it represent the brand identity but it might also be the only physical marketing interaction that the consumer is in contact with when they miss out on the in-person store experience.

According to the 2020 Omnichannel Report, 36 per cent of all offline retail sales are digitally impacted. Consumers are researching their product purchases and checking up store inventories prior to the actual trip to the store to buy the product. We will share with you three ways on how your packaging can enhance your omnichannel brand experience.



## CHAPTER 1:

# Design for logistics

The most obvious challenge when it comes to omnichannel retail is shipping. A product going through the e-commerce journey will be handled up to 20 times more than in traditional retail (Source: DHL). It is not as easily streamlined as products packed in bulk on a pallet going from a distribution centre to retail stores. With the increase in handling, increases the risk for damage to follow, so packaging needs to be robust and fit to handle the different environments that it might be exposed to. It's the last mile that is the most difficult to control and when damage occurs, it doesn't matter if the blame is put on the shipper or co-packer; the customer relationship is still with the retailer or the brand.

With online sales through other channels owned by the brand, concerns over counterfeiting increases. Smarter packaging or digital applications like [Kezzler](#) enable the consumer to engage with the product through the packaging and check if it's authentic. Another valuable feature coming from smart packaging is traceability. Embedded technology in packaging such as RFID or NFC enables companies to keep track of warehouse inventories as well as track a product's journey.



## 3 tips on packaging design for logistics

- **Make sure that the primary packaging can endure the shipping environments of both the traditional and the more complex e-commerce supply chain. Whether by using the same design for online and brick-and-mortar or having specific channel products, the design needs to be coherent and contribute to the overall brand experience.**
- **Packaging optimisation can help save massive shipping costs for retailers. Add on top of that also the frustration from customers upon receiving overpacked products. Make sure that the packaging is fit-for-purpose and rightly sized not only to save costs, but also to be more environmentally friendly.**
- **Look into how you can use integrated technology in the packaging to help with track and trace, inventory management or other supply chain related issues. With omnichannel retail, the warehouse inventory becomes slightly more complicated but the good overview is important to meet the customer demand for quick deliveries.**

## CHAPTER 2:

# Design for convenience

Innovative  
e-commerce  
packaging  
solution by paper  
merchant  
[Antalis.](#)



Although convenience falls below the top two most important matters when shopping, it still plays a vital role. In a study by the US National Retail Federation, 97 per cent of respondents said they have backed out of a purchase because it was too inconvenient for them. 83 per cent of the respondents also said that convenience is more important now compared with five years ago. This means that poor online sales websites, bad shipping services or lack of information on stock availability (inventory), are no longer acceptable.

Packaging plays a part in all of these. By designing your packaging to make it fit all your retail channels, you will ensure a coherent and effective product handling process.

Something that we will probably see more of is BOPIS (Buy Online Pick Up In Store), also known as click and collect. Some products are more difficult to decide upon when shopping online, and consumers might feel concern over which size, colour or model to choose. By ordering online and picking it up in the store, consumers get a chance to return or exchange something if it doesn't fit, and as a retailer you get a chance to sell more goods. Research from ICSC shows that 67 per cent of BOPIS customers buy more goods when they pick up online orders in person. Shipping to the store, or using the store as a fulfilment centre, can save money for your business by eliminating the otherwise costly last mile transport cost.

## 3 tips on packaging design for convenience

- The customer experience does not end with the delivery fulfilment. Returns are frequent in online shopping so make sure that the transport packaging simplifies returns. Transport packaging can also be repurposed as gift packaging by, for example, turning it inside out.
- Choose the right type of material for the job, taking into consideration both the application and message. Packaging appearance is an extension of the brand and should represent all the values connected to the brand. And remember, wrap rage is a real thing.
- China's omnichannel strategy is known as O2O (Online to Offline). Chinese consumers can buy their products on [WeChat](#), China's largest social media app. If you don't know how to find the brand on WeChat you can simply scan the QR code on the packaging, since brands have started to use their packaging to channel consumers to their social media accounts. This is an example of how packaging can make it easier for the consumer to engage with you.



## CHAPTER 3:

# Design for customer satisfaction

Customer experience has quickly become one of the top brand priorities and when it comes to customer loyalty, we consumers tend to stick with the brands that give us a good customer experience. But how is packaging related to customer experience? It's easier to explain if we give you some examples of brands that have really performed when it comes to providing a brand experience through the packaging.

The most classic example is the Apple iPhone packaging, and it is also an example of a product you buy without seeing the packaging. Apple's idea is all about simplicity being sophisticated, so of course they would also want that shown in their packaging. Every part of the package is minimalist and well thought out, with great attention given to details, like the specific slide time of the lid, the sustainability focus through the use of renewable materials and the lack of a bulky instruction brochure. When it comes to spending money on a premium luxury product, nothing justifies the bucks more than those spent on a premium packaging and unboxing experience.

Another example of a brand that has mastered the brand packaging experience is Chanel, which is now also gaining exposure on another channel, namely [TikTok](#). Some users have realised that they can get the entire Chanel customer experience with a nicely packed box and some free samples by buying the cheapest product on the [Chanel website](#) (which is still not cheap) – a box of cotton pads

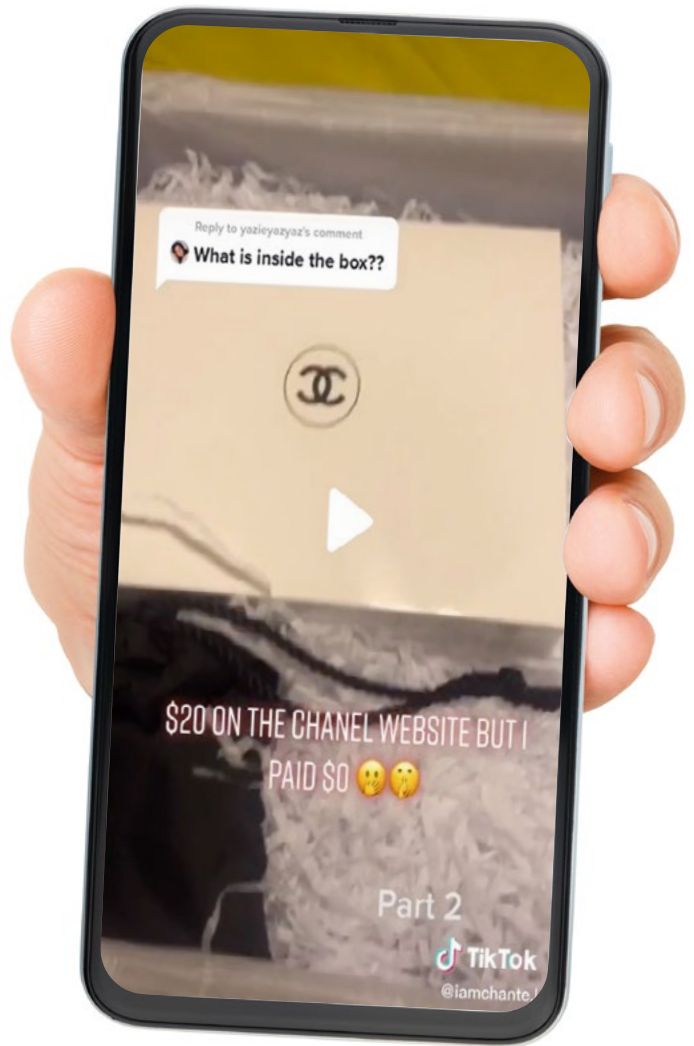


for 20 dollars. There are now millions of videos on TikTok with [#chanelhack](#) and if you don't have TikTok you can still check out the Chanel unboxing experience in their own video '[The art of detail](#)' on Chanel's website. Whether you shop in their stores or through the Chanel website, you will not get cheated out of the desirable Chanel packaging experience.

And while Chanel might not have planned to trend on TikTok, there are brands aiming for just that. Cosmetic company [e.l.f.](#) created its own TikTok challenge with the recent launch of a new product leading to more than 5 million user-generated videos showing the product. And the cost? Basically just what the agency charged for coming up with the idea.

### 3 tips on packaging design for customer satisfaction

- Spend time unpacking your packaging and work out how the different details contribute to the whole unboxing experience. Can you, for example, add text on the inside to surprise the consumer, or would you prefer to remove text to make the appearance clean and minimalistic? Remember that after-purchase satisfaction validates a premium price and can lead to repeat orders.
- Check how your packaging will look in your different channels, both the traditional and the digital ones. Does it look as appealing in digital channels as on the retail shelf? Some brands have a tendency not to show packaging on their online channels but remember that packaging has more roles to play than the most obvious ones.
- Customers are expecting a consistent shopping experience regardless of channel, so think of how the packaging can provide the same convenience and brand experience as in the shop. For example, should a nice branded bag come with the package – or how about a “personalised” message that will replace the in-store greeting?



*Consumers are essentially willing to pay for the Chanel packaging experience.*



## Further readings

*Kezzler - Unique, secure and traceable identities*

*Packaging considerations for omnichannel marketing*

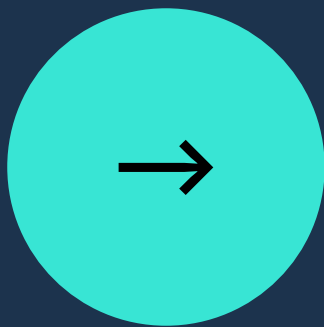
*Consumer view – Winter 2020*

*Motivate shoppers with BOPIS*

*Packaging gives Apple's buyers a sensory experience*

*The art of detail - Chanel*

*e.l.f. Cosmetics TikTok challenge*



**Contact:** Cavit Onur,  
Holmen Iggesund  
[cavit.onur@holmen.com](mailto:cavit.onur@holmen.com)

**HOLMEN  
IGGESUND**