Industry Insights

Right-Sized Packaging for eCommerce
Introduction

It’s no secret that since 2019, eCommerce demand has skyrocketed. A study of the German Trade Association (Handelsverband Deutschland, HDE) reveals that online sales have increased by more than 42% in Germany in the years 2019-2022. Another consumer survey published by KPMG in 2021 states that 50% of the consumers place orders online for delivery several times a month. Those numbers are only continuing to grow and businesses must figure out how to adapt in order to meet this increased demand. That’s where automation comes in.

Automated right-sized packaging solutions can help streamline packaging process flows. By harnessing best-in-class technology, businesses can transform their warehouses to significantly increase throughput, efficiency, and customer satisfaction. Right-sizing also cuts down on waste, shipping costs, labour, and lowers your carbon footprint. In this guide, we’ll share some of the challenges online retailers face and how a Right-Sized Packaging On Demand® solution can help.
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What is eCommerce?

**eCommerce**, short for electronic commerce, describes the purchase and sale of goods and services entirely online. This process includes selection and ordering of products, payment and delivery. eCommerce has grown significantly in recent years and plays a major role in the global economy.

These transactions take place either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business. eCommerce offers numerous benefits, including the ability to access customers globally, lower operating costs compared to physical stores and the ability to be open 24/7.

**eCommerce fulfillment** is part of the eCommerce business that **delivers the products ordered online** to the customers or companies. The process of eCommerce fulfillment includes stocking the products on the shelves of the fulfillment warehouse. It also includes the entire order fulfillment process from picking to packing the orders and finally delivering the order to the customer.

Startups or smaller companies handle eCommerce fulfillment in-house. Expanding or large companies outsource the fulfillment process to **third-party logistics providers (3PL)** or use the variant of direct shipping (drop shipping). If fulfillment is not outsourced early in expansion, the **internal solution quickly becomes a bottleneck to growth**. A great eCommerce fulfillment solution is essential for successful eCommerce logistics.
Challenges for Online Retailers

Throughput

Nowadays, consumers can make an online purchase in seconds with just a few clicks. For many retailers, this means thousands of orders are being received every day. **Quick and efficient order fulfillment is essential** to keep up with that kind of demand and meet consumers’ expectations of fast deliveries. But traditional packaging processes can be slow and clunky. Warehouse employees must find not only the items that need to be packaged, but also the right stock box to package them in, before inevitably filling the box with additional bubble wrap or packing paper, taping it shut, and labelling it.

Automated packaging machine systems can perform all of the necessary functions to package an item and get it ready for shipping in sections. In order to **maximise throughput**, leading eCommerce companies should be focused on **identifying packaging solutions that streamline their process** by consolidating multiple functions into a single machine. These functions may include dimensioning, box creation, glueing, labelling, and more. Quality and speed should be top of mind when it comes to the packaging process in order to keep up with increasing demand. Industry-leading packaging solutions can complete this entire process in less than 4 seconds.

Costs

As demand for online shopping increases, so do the costs associated with shipping the orders. However, **right-sizing is a great solution to help mitigate these costs**, helping you reduce the impact to your bottom line.

There are many ways that On Demand Packaging® solutions can cut down on costs. The first and most obvious is the cost of corrugated and box storage. The boxes are **right-sized, you aren’t wasting extra space or materials**, and you often need little to **no void filler**. On-demand packaging solutions can also help to reduce the costs related to storage space (for standard boxes) and inventory.

Right-sizing also cuts down on shipping costs. In fact, **right-sized boxes take up 40% less space on trucks**, meaning you can reduce the number and therefore the costs of your truck loads. This also means you’re getting **more orders out the door with every shipment**, allowing you to take on more orders and scale up your business.

A 2023 DHL European Online Shopper Survey found that 57% of consumers prefer to include delivery costs into the cost of the goods, and 50% of the customers will not complete a purchase if delivery costs are too expensive. With On Demand Packaging® solutions, costs can be saved, enabling lower shipping costs for the customer.
Labour

It’s no secret that labour is hard to come by these days. The shortage of qualified workers in Europe has increasingly become a problem that affects almost all economic sectors and regions. More than 40% of companies in the warehousing sector are currently complaining about a shortage of skilled workers. This is the result of a survey from the Munich ifo Institute in 2022. The labour crisis has impacted almost every industry, but warehouses are taking some of the hardest hits.

Automated packaging solutions reduce the need for as many full-time employees while continuing to increase throughput. For eCommerce businesses, this means that even during peak season you can maintain operational consistency within your packaging process flow without hiring on additional labour. Automation reduces physical labour, enabling a more efficient deployment of workers in various areas across the company. This flexibility allows companies to transfer their workforce to different warehouse areas and improve overall job satisfaction.

Customer Satisfaction

For online retailers, customer satisfaction is one of the most important factors when it comes to growing your business. However, the importance of your packaging when it comes to the customer experience is often overlooked.

As an eCommerce business, your packaging process, from the warehouse floor to the consumer’s hands, is a reflection of your brand. Right-sizing provides a better packaging experience for your customers by speeding up delivery times, reducing the risk of product damages, and creating a more pleasant unboxing experience. No one likes to dig through bubble wrap or packing peanuts to get to their item. By right-sizing you are showing your customer that you care about them and that you care about the environment.

Especially since consumers are increasingly interested in greener delivery. According to DHL’s 2023 survey, 64% of Europeans say sustainable online shopping is important to them but only 1 in 5 are willing to pay extra for a greener delivery - expecting retailers to absorb the cost.
Packsize Solutions for eCommerce

Investing in state-of-the-art automated packaging technology can often come with high overhead costs. That’s why, at Packsize, we’ve implemented a **Packaging as a Service business model to make our solutions accessible and affordable**. Rather than purchasing expensive packaging equipment, our clients benefit from a subscription model. They **pay for the corrugated they need and we lease them our machine systems**. The PaaS model includes updates to newest technology, machine maintenance, and our helpdesk service, as well as a unique solution designed with the clients’ needs in mind. In a fast moving world, limited capital lock-up and high flexibility is key for 3PLs. With Packsize we offer our clients just that!

**X5® First Fully-Automated Erected Box System**

Combining production stability with optimised packaging throughput, the revolutionary X5 Right-sized Packaging on Demand® system accommodates both Box First and Box Last production methods at industry-leading speeds. It offers five automated functions and is perfect for both single and multi-item orders. The first of its kind, the **X5 produces up to 600 right-sized, bottom-sealed boxes per hour ready to be packed**.

<table>
<thead>
<tr>
<th>Type</th>
<th>Erected Box System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation</td>
<td>High</td>
</tr>
<tr>
<td>Speed</td>
<td>600 boxes/hour</td>
</tr>
<tr>
<td>Software</td>
<td>PackNet® – Software Platform</td>
</tr>
<tr>
<td>Services</td>
<td>Packaging as a Service™</td>
</tr>
<tr>
<td>Box Capacity</td>
<td>Min: 203 x 152 x 76 mm</td>
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<tr>
<td></td>
<td>Max: 762 x 508 x 508 mm</td>
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</tbody>
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X7 Fully Automated Packaging System

The X7 gives you the most needed functions to make, pack, and ship a **right-sized box in just 3.5 seconds**. It starts by scanning the item(s) you want to package. Then, it creates a right-sized box, wraps it around the order, glues it shut, and applies a label to it. Our most automated machine, the X7 is perfect for single-item orders and unitized, multi-orders.

<table>
<thead>
<tr>
<th>Type</th>
<th>In-Line Packing/Fulfillment</th>
</tr>
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<tbody>
<tr>
<td>Automation</td>
<td>Maximum</td>
</tr>
<tr>
<td>Speed</td>
<td>Up to 1000 boxes</td>
</tr>
<tr>
<td>Software</td>
<td>PackNet® – Software Platform</td>
</tr>
<tr>
<td>Services</td>
<td>Packaging as a Service™</td>
</tr>
<tr>
<td>Box Capacity Min</td>
<td>315 x 150 x 59 mm</td>
</tr>
<tr>
<td>Box Capacity Max</td>
<td>615 x 350 x 209 mm</td>
</tr>
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A Diagnostic Approach

What sets Packsize apart is our collaborative approach. We believe that understanding your unique needs is paramount to delivering successful outcomes. Inefficient processes, excessive materials usage, and complex supply chains can all impact your bottom line. That’s why we assembled a group of experts who specialise in designing and implementing tailored packaging automation solutions. Our dedicated solutions professionals work closely with you to gain a deep understanding of your challenges, goals, metrics, and objectives, and create customised solutions that address your specific requirements. From advanced automation technologies to streamlined processes and everything in between, our team is here to guide and support you every step of the way.

Explore
Packsize experts evaluate your current packaging process flow to identify bottlenecks.

Customise
We discuss which Packsize solution(s) will best meet your needs without disrupting your warehouse setup.

Integrate
Packsize solutions are integrated seamlessly into your process flow, with minimal downtime.

Train
We train your team to operate and service the Packsize equipment.

Produce
Watch as you reap the benefits of Right-Sized Packaging On Demand (i.e. increased throughput, reduced: waste, labour, shipping charges, etc.).

Scale
Packsize experts reevaluate your current packaging process flow to identify bottlenecks.
Case Studies

CEVA Delivers Healthcare Faster and More Sustainably

In Heerlen (NL), CEVA Logistics is implementing a highly efficient supply chain for a global healthcare market leader. A completely integrated process flow was set up there, from the customised box-first carton production to the picking of the orders and their conveyor technology, all the way to the carrier-specific shipping areas. To achieve this, CEVA Logistics teamed up with conveyor and process technology partners and Packsize, which resulted in an efficient cooperation for the project. The modern intralogistic processes lead to more throughput, productivity and sustainability. CEVA Logistics now serves its customers even faster - with less heavy physical labour and a significantly smaller ecological footprint.

“Now, we have a perfectly fitting box for every order which results in reduced transportation costs and a smaller environmental footprint.”

— Mark Romme, Project Manager
CEVA Logistics

See CEVA’s Packsize solution.

LOEWE Logistics & Care

LOEWE Logistics & Care specialises in complex logistics in the B2B and B2C sectors, packing and shipping for Lufthansa WorldShop, among others. The logistics market is subject to constant change, which is why logistics service providers such as LOEWE must constantly develop their processes further in order to survive in the competitive environment in the long term.

As a result of the long standing partnership LOEWE has recently upgraded their solution for Lufthansa (Miles & More) with a comprehensive Packaging Process Flow incorporating the X5.

The project goals achieved are volume reduction in shipping packaging, reduction of standard cartons to zero, optimisation of the entire pick-and-pack process and reduction of material use - an important environmental aspect!

“The whole process was very cooperative, deadlines were met, contacts were always available and able to help, and the Packsize hotline always provided the answers we needed.”

— Vanessa Peter, Logistics Project Manager
LOEWE Logistics

See LOEWE’s solution.
Experts talking with experts

Our team of packaging specialists will apply their expertise and experience to increase efficiency and productivity of our customers’ packaging process flows while also reducing their carbon footprint significantly. Together we discuss and develop the optimal solution for every use case addressing the customer’s unique needs. Contact us to learn more!

CONTACT US