



DON'T GET CRUSHED IN THE CHIMNEY

Being ready for the Holiday
E-Commerce Rush



INTRODUCTION



Though the holiday season may be the most wonderful time of the year in terms of revenue, it's also considered one of the most hectic periods as orders stack up. And this year, there's no question that e-commerce distribution centers are seeing orders pile in at record rates.

This year, e-commerce plays a significant role in holiday shopping. Up to **30 percent** of holiday retail sales will be online. Even in a normal year, fulfillment centers work tirelessly to keep up with orders. But now, as e-commerce demand ramps up, they'll need more than just enough inventory to keep consumers happy.

Choosing — and stocking — a distribution center with the right packaging and packaging solutions

will be critical to ensure orders make it to their destinations on time, unscathed, and ready to be unwrapped by rosy-cheeked children.

That's why fulfillment centers need to plan for possible shipping delays and issues, including mishandled or damaged packages, which have the potential to ruin the consumer experience. It will be critical to anticipate what protective packaging your distribution center needs.

As the 2020 holiday shopping season gears up to break all-time sales records, this e-book discusses the challenges of today's e-commerce climate. Plus, practical tips for managing the packing floor and choosing the right solutions.



MY PACKAGE GOT RUN OVER BY A REINDEER

With **one in 10** packages mangled in transit, companies must eat the cost of damaged items and the cost of reshipping.

Though a boost in e-commerce orders may lead to more profit, it may also create unexpected challenges.

Staffing challenges can lead to an increase of damaged products

Distribution centers face staffing challenges, particularly if they've **implemented staggered shifts or distancing measures to protect worker health**. Too large of a workload for a smaller crew may lead to errors, such as not enough protection in a package. The result? The arrival of a damaged product at a recipient's doorstep. For all they know, it's as if their package got run over by a reindeer.

On a more serious note, damaged products steadily chip away at a company's bottom line and reputation. Even worse, the environment is just as much of a victim. With **one in 10 packages** mangled in transit, the company must eat the cost of the damaged item and the cost of reshipping. At the end of the day, unusable products end up in landfills, and shipping new ones require more fuel and even more packaging.

Nobody wants to unbox a broken item, especially a holiday present. Even a small scratch or ding on an item may lead to a flurry of complaints on social media.

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Holiday gifts tend to be more fragile. For example, some of **last year's hottest items** included small appliances and electronics, which require a significant amount of cushioning and static protection to arrive intact. Novelty gifts, such as peppermint-scented candles and lotions, should also be wrapped and cushioned to avoid broken bottles and spilled liquids.

With an increase in shipped orders, combined with the delicate nature of many items, damage is more likely. It doesn't help that there are numerous videos on the internet depicting carriers carelessly chucking packages over fences and **onto wet ground** — and that's just during a normal holiday season.



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Pandemic Affects Packaging and Delivery


An uptick in deliveries caused by COVID-19 resulted in a **20 percent rise in package damage**. Higher volume of deliveries, too limited cargo space on trucks, and items not usually bought online and then shipped out have all created a need for new packaging methods to safely deliver products in this new normal.

The unboxing experience may replace the unwrapping experience

Now, during the holiday season, delivering a package is even more important as consumers will likely choose to ship a gift directly to a recipient. Therefore, the unboxing experience may replace the unwrapping experience. Opening the box needs to impress them just as much as Grandma's hand-curlled ribbon would if she were there handing out presents in person.

The delight of receiving a gift and the happiness of the holidays — this is why packaging matters, and why distribution centers should assess packaging needs. This includes proper void fill, cushioning, and other packing solutions.

MAKING A LIST – AND CHECKING IT TWICE



Global online sales increased **71 percent** year-over-year for Q2 2020.

According to data from Salesforce, global online sales increased **71 percent** year-over-year for Q2 2020, so many e-commerce operations are already operating past max capacity. Careful planning is needed to keep up with current demand as well as the imminent rush that hits online retailers every holiday season.

This can be a very profitable time for e-commerce businesses, but only if measures are taken to **prevent damage and protect the bottom line**. Better packaging protocols can also lessen environmental impact.

Create packaging protocols based on data from previous years

Though we are in unprecedented times, sales data from previous years can help you to strategize accordingly.

Make special arrangements for historically popular items. Traditionally the holiday season also brings an increase in orders of fragile items given as gifts. These require extra cushioning and void fill already, but this will be especially important when delivery personnel are overwhelmed and not able to provide the care that every package needs.

Make Way for the New

Be aware of consumer trends and your competitors' sales figures for insight into what products will be in-demand and what packaging solutions you will need for them. Every season brings a slew of new product offerings, so care should be taken to ensure they are properly packaged when shipped.

It's imperative that fulfillment departments stay connected with product strategy and marketing during this time, so they can have appropriate packaging materials on hand to safely deliver items to customers and present them in the way that marketing prefers.

A new normal has also emerged in 2020, where consumers order online and have items delivered that they would normally only purchase in person. As a retailer, you naturally want to get products safely from your store to a customer's doorstep, which is why you must ensure the proper packaging and systems are in place to accommodate this new demand – even during the holiday rush season.



Assess the Packing Floor

The entire world has changed as a result of COVID-19, and this includes the way businesses operate, even when they're not public-facing. Many local and federal mandates require social distancing and limiting the number of employees who can be in the same room at any given time. Depending on the size of your operation and the space your company operates in, these basic mandates may lead to staggered shifts and the reconfiguration of floors and assembly lines, all cutting into productivity and efficiency.

It's uncertain when these mandates will be lifted, so:

- begin to schedule shifts accordingly
- create new floor configurations to increase capacity
- consider hiring additional fulfillment workers to see you through this busy time.

(For more advice on how to navigate fulfillment needs in the post-COVID world, check out our e-book, **Essential to Exceptional**.)

ELF-TESTED PACKAGING SOLUTIONS

Think about all the dangers your packages might encounter during delivery this holiday season: thrown about while loaded onto a truck, jostling in a cargo bay on bumpy or icy roads, or accidentally dropped in the snow by busy parcel workers.

The right packaging is critical for ensuring deliveries arrive intact to their destinations. Pregis offers a number of solutions to prevent damage during transit and elevate the unboxing experience.

Some of our holiday-ready solutions include:

Sharp Bagging Systems

Ideal for clothing shipments, this system allows for quick and easy flexible item packaging that adds virtually no weight to an order — a great way to reduce costs. We also enable customers to print custom designs on the packaging for an eye-catching and festive unwrapping experience.

Block & Brace

Block and brace products can be used both to buffer items from damage, as well as to divide and organize the different contents of a package in shipments that contain multiple items. These customizable solutions allow you to take control of the way packages are presented once the customer opens them.

Void Fill & Cushioning

We offer a number of cushioning solutions to fill unused space inside packages and provide additional protection for the fragile items contained inside. No matter how bumpy the ride is, gifts will be buffered by air and other soft materials.

Interleaving

Pregis offers several interleaving solutions that provide as much or little protection as delicate items need. **Interleaving** is ideal for protecting stackable items from scratching or chipping each other when they are shipped in the same package.

Protect, Preserve and Inspire

Due to COVID-19, many families may not be able to celebrate the holidays together. Experts predict that most gifts will be shipped instead of given in person, transforming the unboxing experience into an unwrapping experience.

This year, packaging isn't just there to protect the items you're shipping – it's an opportunity to **elevate the unboxing experience** into one on par with opening a present. The holidays are all about delighting others with details and special touches.

In addition to serving as great holiday packaging, a percentage of sales supports **clean water initiatives** – perfect for the charitable spirit of the season.



Delivering Holiday Cheer

The holidays are the busiest time of the season for shipping items. As a result, this is also the most dangerous time of the year for packages. Heavy workloads by transit employees and bad weather conditions drastically increase the chances of deliveries arriving damaged, which can be bad for both customer relations and a company's bottom line.

To provide the best experience for your customers, order packaging supplies as early as possible. This is anticipated to be a record year for holiday shopping volumes, and supply chains are already strained due to the demands of COVID-19. This year, give your customers the gift of safe deliveries with eye-popping packaging – and yourself the gift of fewer returns and logistical headaches.



Need help assessing your fulfillment setup or finding the right packing solutions? **Contact us** today to ensure you and your customers have the best holiday experience possible.



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