



NVC Position Paper

Packaging as driver for the sustained future of e-commerce





Introduction

NVC (founded in 1953) is the association of companies addressing the activity of packaging throughout the supply chain of packaged products (retailers, manufacturers and suppliers of packaging materials, design, machinery and related services). The NVC membership, innovation projects, information services and education programme stimulate the continuous improvement of packaging.

For all further info please visit our bilingual website www.nvc.nl

New web-based retail structures (e-commerce, omni- and/or multichannel) are evolving rapidly and the activity of packaging is an essential factor for their further continued successful growth. Packaging in this context is named Web Retail Packaging (WRP).

Each second, more than 100,000 products are packaged globally by industry and unpacked by the end-users. In conventional retail, the end-user also takes care of the 'order picking in the retail warehouse', formerly known as 'shopping'. In the new WRP-based retail this paradigm is shattered, however packaging solutions at this moment are still based on the insights from conventional retail. This poses a fundamental threat to retail in general and packaging in particular, as the amount of WRP-delivered products is increasing dramatically. If we don't act now, inadequate packaging in e-commerce will not be a negligible side-effect, but the next 'inconvenient truth'.

This NVC Position Paper provides guidance to all actors involved (retailers, manufacturers, suppliers of packaging and related fulfilment services, etc.) on how and where to develop packaging for the sustained future of global e-commerce. Also outlined is the way in which NVC Netherlands Packaging Centre will proceed to help achieving this, inspired by our NVC International Working Group WRP, our 550+ globally oriented member companies and in close cooperation with all other relevant third parties.

NVC Netherlands Packaging Centre
Gouda, The Netherlands
2 October 2014



Definitions

Packaging is the activity of temporarily integrating an external function and a product to enable the use of the product.

Web Retail Packaging (WRP) is temporarily integrating an external function and a product to enable the use of the product, when the product is received by the end-user at the required location (shop, pick-up point, home, office, ...) and where the end-user has the possibility to ship the product (replacement, original, used) back.

A hybrid package is a package for an individual product and/or order which integrates the functionality of the primary (product) and/or secondary (transport) as shipped to and received by the end-user.

WRP functions to be addressed systematically

Each actor in the supply chain of packaged products must have sufficient knowledge about the over-all implications of his decisions and must be open to share relevant information with the other actors. This should be done on a basis of mutual trust and respect. The following functions of Web Retail Packaging must be addressed, either individually or combined (technology, marketing, logistics, end-user behaviour, ergonomics).

- Protect the product.
- Prevent damage to the product.
- Ensure optimal use of packaging materials with respect to reuse and/or recycling after unpacking the product.
- Ensure hygiene of the product.
- Ensure frustration-free opening of the package.
- Ensure consumer health and safety with respect to delivery, storage and opening.
- Facilitate adequate ergonomics for all actors involved, including the end-user.
- Enable branding (inside and/or outside).
- Facilitate proper working conditions for fulfilment staff during packing, picking, shipping.
- Facilitate effective administration and handling of returned goods at e-tailer.
- Inform the logistics service provider.
- Provide data on required and actual supply chain conditions (shock, temperature, moisture, ...).
- Inform the end-user (e.g. about ingredients; both on package and on-line).
- Inform the end-user on recycling/recovery/return options and how to use these.
- Facilitate return logistics of same, used or replaced product.
- Ensure legitimacy, anti-counterfeit, no-tampering, no pilfering.
- Ensure integrity of the supply chain.
- Facilitate concealment/anonymity.
- Support consistency of the online sales and the physical appearance.
- Enable proper disposal; return of tote.
- Facilitate cost-effectiveness.
- Facilitate convenient delivery.
- Facilitate economic delivery.
- Support/catalyse optimal perception and appropriate behaviour.
- Raise sufficient awareness on contents and related handling needed.
- Facilitate traceability.



What is it that NVC strives for?

We generate the awareness about the growth potential and beneficial scope of e-commerce with the proper implementation of packaging.

We support the continuous development of (the activity of) packaging as a positive contributor to environmental, social and economic aspects of products and their supply chains in the context of the new web-based (e-commerce, omni- and/or multichannel) retail.

We promote the continuous investment of business and society in knowledge, innovation and cooperation throughout the supply chain of packaged products, based on agility, trust and fair sharing of added value.

What is it that my company can do and where is the advantage for us?

- ▶ Continuous involvement in the WRP-developments.
- ▶ Participation in the different WRP project (sub)groups.
- ▶ Support the collective promotion of the importance of responsible packaging in e-commerce.
- ▶ Share precompetitive ideas, standards, best practices with other companies and benefit from the dissemination of WRP knowledge on a global scale: *Sharing the future in Web Retail Packaging*.

References and further reading/info

- ▶ Basic info on the NVC Innovation Project Web Retail Packaging is provided at: <http://www.en.nvc.nl/nvc-innovatieproject-web-retail-packaging/>
- ▶ For WRP Business Cases and Best Practices, please contact the NVC association office (see data below).
- ▶ The global relevant WRP developments are provided within the monthly NVC Members-only Update (MOU): <http://www.en.nvc.nl/up-to-date-via-tweetalige-nieuwsvoorziening-mou/>
- ▶ NVC 4-day Course Packaging for Web Retail: <http://www.en.nvc.nl/opleidingen/nvc-cursus-verpakken-voor-webretail/>
- ▶ NVC 1-hour Online Webinar The Future of Web Retail Packaging (globally accessible): <http://www.en.nvc.nl/opleidingen/nvc-webinar-the-future-of-web-retail-packaging/>
- ▶ Knowledge transfer on Web Retail Packaging takes place at leading international packaging and retail conferences and exhibitions organised by NVC partner organisations.
- ▶ Benefits of the NVC membership: <http://www.en.nvc.nl/voordelen-nvc-lidmaatschap/>

Contact

Project team Web Retail Packaging:

Michael Nieuwesteeg, Charissa Koolen, Ger Standhardt

NVC Netherlands Packaging Centre

Stationsplein 9k, P.O. Box 164, 2800 AD Gouda, The Netherlands,

phone: +31-182-512411, mail: info@nvc.nl, website: www.nvc.nl

