

The Unboxing Survey 2021



2021 UNBOXING SURVEY

Revealing the experience of online shoppers in 2021



The response to our 2021 annual unboxing survey has been higher than ever before. With over 600 consumers completing the survey in August, it revealed the online shopping experience of participants in what has been an unprecedented year for retailers and shoppers alike.

Our survey was conducted when restrictions on the high street had been lifted and uncovers respondents' shopping habits during this period, how they plan to shop in the future, and how the unboxing experience affects their buying decisions when it comes to choosing internet retailers – including the important issue of sustainability and packaging as a marketing tool.

The trends we identified this year will come as no surprise. More and more people are choosing to shop online rather than use traditional retail and eco-conscious shopping is a growing trend that retailers can't afford to ignore. In this report, we'll delve into:

- The accelerating growth of internet retail – will this level of growth be sustained in the future?
- The importance of the brand experience – from creating a connection with consumers to ensuring product is protected from damages
- The rise of the eco-conscious online shopper – the importance of sustainability, recycling and reducing packaging's impact on the planet

“ From November 2006 to February 2020, all retailing – except automotive fuel sales – saw a ten-fold increase in online sales, showing how online retail was already growing strongly prior to the pandemic ”

ONS, 27th July 2021



Over 600 consumers completed our 2021 unboxing survey



What key industries does our survey cover?

This year's unboxing survey covered more sectors than ever before but fashion, food and drink, home and garden, and health and beauty made up 76% of all results.



Fashion
25%



Food & Drink
18%



Home & Garden
18%



Health & Beauty
15%

Other sector submissions included arts and crafts, sporting goods, toys, jewellery, pets, floristry, and pharma.

Online retailing shows the highest growth of the retail sectors

UK online retail sales index by retail sector (value), seasonally adjusted, for period 2006 – 2021

Index: 2007=100

- All retailing except vehicle fuel
- Non store retailing
- Mainly food stores
- Household goods stores
- Clothing and footwear
- Other non-food store



THE ACCELERATING GROWTH OF INTERNET RETAIL AND CHANGING HABITS OF SHOPPERS

The move to online shopping is proving permanent, as most **industry analysts** predicted it would. The results of our survey shows that the pandemic just accelerated that trend.

88% of those surveyed advised that they spend more time shopping online since the pandemic, 64% said this will not change in the future, and a third are likely to increase the amount of online shopping they do.

It looks like more and more of us are succumbing to the convenience of armchair shopping with home delivery too, with 96% favouring this option over click and collect. Just over half selecting it for convenience, and 40% selecting it because it was free.



THE IMPORTANCE OF THE BRAND EXPERIENCE

– and the challenge of improving it remotely

Amazingly, half of all participants said that their unboxing experience was underwhelming, with a third stating that the unboxing experience did not encourage them to purchase again from the retailer. We also found that there was an increase in the receipt of unbranded packaging this year (45% vs 32% in 2020).

The downside of online shopping

Unfortunately, the receipt of damaged items increased this year also (9% vs 5% in 2020). This not only impacts customer experience but the environment too. Damaged products are often returned, using further transport, or written off (sometimes both). Replacement products require additional packaging and transportation too.

Missing opportunities to connect with consumers

This signifies a missed opportunity by retailers to consider their packaging as a connection between a brand and their customer experience. In the absence of an instore purchase, the arrival of a retailer's goods should spark joy and excitement as customers receive and unpack their newly purchased goods.

Brand perception is important, and packaging offers a physical medium for online retailers to establish a connection with customers in an increasingly digital landscape. This connection is a great way to inspire brand loyalty, inspire repeat sales and differentiate retailers from their competitors.



88% of respondents spend more time shopping online since the pandemic



64% said this new pattern of online shopping is permanent



30% expect their online shopping to increase in the future



96% of respondents favoured home delivery over click and collect



55% selected home delivery for convenience



40% liked the free delivery





THE RISE OF THE ECO-CONSCIOUS ONLINE SHOPPER

In this year's unboxing survey, we asked respondents more questions about packaging and sustainability to provide more detailed insight into the rise of the eco-conscious shopper and what this means for internet retailers.

One extremely positive finding from the research is an increase in the use of recyclable packaging. 73% said that their packaging was recyclable, a 10% increase from 2020 and 34% increase from 2019!

An overwhelming number of survey participants (97%) said they would follow recycling instructions where possible. However, the survey highlighted that 14% of respondents were unsure on how to dispose of their packaging as there were no clear recycling instructions.

This emphasises a need for retailers to clearly label transit packaging with recycling instructions if they don't already. This is particularly important when the packaging material does not fit into a household recycling waste stream, like plastic mailing bags for example. Clear recycling instructions support consumers "doing the right thing". They can also help increase recycling rates in the UK and ensure an adequate supply of recycled materials, which is a positive step towards creating a circular economy where we use fewer resources.

Further underlining the trend of eco-conscious online shopping, almost 1 in 5 said they would not continue to buy from a retailer who did not use sustainable packaging. This means online retailers need to make sustainable packaging a priority to capture the sales of this growing market, as well as protect the planet.



73% of respondents thought their goods arrived in recyclable packaging



14% were unsure if the packaging their goods came in was recyclable



19% would not continue to buy from a retailer that didn't use sustainable packaging

The impact of the UK Plastic Packaging Tax

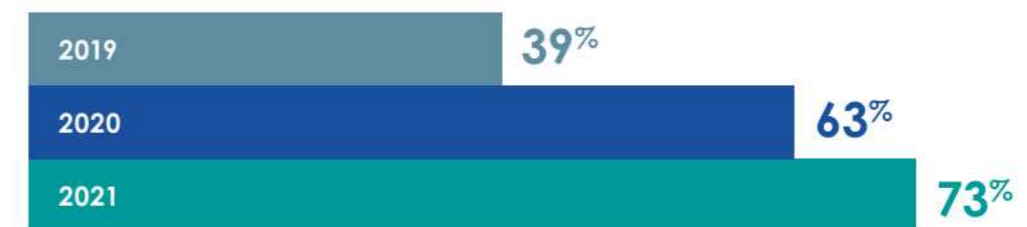
2022 will see the introduction of the UK plastic packaging tax, a levy placed on plastic packaging materials that contain less than 30% recycled content.

The tax will apply to manufacturers and importers of plastic packaging and is intended to drive an increase in demand for recycled plastics, reduce the production of virgin plastic material, have a positive effect on the UK's plastic recycling rates and hopefully reduce land and sea pollution associated with plastics.

To support UK producers in making plastic packaging that contains 30% recycled content, it is essential that a supply of recyclable material is collected for the manufacturing process. Clear labelling of packaging used for retail deliveries could help to assist in the continuity of recycled material supply.



Percentage of retailers using recyclable packaging



A thought-provoking report by Getty Images written in 2020, found that out of 10,000 people surveyed globally, 81% see themselves as eco-friendly but 50% say they only buy products from brands that try to be eco-friendly. It also found 84% of UK consumers say that being environmentally friendly is important to them, yet 68% cannot name a single environmentally friendly brand.

WHAT 2021 UNBOXING RESULTS MEAN FOR THE FUTURE

The verdict? Packaging and the unboxing experience need to be a critical consideration for internet retailers as ecommerce growth is set to accelerate even further in the future, even in a post-pandemic landscape.

Ecommerce is highly competitive, and customers aren't making a buying decision in a physical store, they have an opportunity to compare prices simply by opening another browser tab. The unboxing experience represents an important milestone in the customer journey and enables retailers to make a connection with customers that inspires brand loyalty. Packaging should be seen as an extension of retailers' marketing strategies, as well as a commodity product that provides essential protection.

Sustainability is key to survival too – not just on a business level but a human one as well. It seems we are all ready to

do the right thing to protect the environment, and the next step towards that is simplifying how retailers and packaging providers can work together to support end-users in recycling packaging waste, as well as reducing and reusing material at source.



MACFARLANE PACKAGING

Supporting your business now and in the future

Improving your customers unboxing experience

Customer experience is at the heart of many businesses and delivering a wow with packaging is a great way to ensure that your customers stay loyal to your brand.

Great packaging should first protect your goods, be easy to open (but tamper proof), represent the values and ethos of your brand, and show the value of your products.

We can help you to deliver an unboxing experience that tells your story and meets the wow factor of your customers' expectations. Connecting them to your brand and promoting customer loyalty.

Increasing your capacity to meet demand

Many businesses underestimate the power of packaging to speed up throughput and increase order fulfilment capacity.

Our team of experts can talk you through packaging solutions that will not only reduce packing time but reduce your packing operation footprint too. Our automated packing solutions and experience in packing room layouts will help you to achieve more in less time.

Improving your environmental footprint

We deliver environmental savings throughout your operation.

Starting from the right sustainable packaging to protect your products, through to waste reduction and improved transportation footprints.

- We are experts in optimising parcel cubage and palletisation
- We can help you to use less packaging and reduce damages in transit
- We're here to support businesses and help them achieve their CSR goals

To find out how we can help to reduce the costs of your packaging operation, to the environment and your business, contact us today:

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